RESOLUTION NO. 16-003

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO APPROVING AN AMENDED LONG RANGE PROPERTY MANAGEMENT PLAN FOR THE DISPOSITION AND USE OF FORMER REDEVELOPMENT AGENCY PROPERTIES

WHEREAS, in accordance with the Redevelopment Dissolution Law (AB1x 26, enacted June 28, 2013, as amended), the City Council of the City of Vallejo ("City") elected and determined that the City should become the successor agency ("Successor Agency") to the former Redevelopment Agency of the City of Vallejo (the "Redevelopment Agency") commencing upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, the Redevelopment Dissolution Law requires the Successor Agency to expeditiously wind-down the affairs of the former Redevelopment Agency, as directed by the oversight board created pursuant to Health and Safety Code Section 34179 of the California Health and Safety Code ("Oversight Board"); and

WHEREAS, following the successful completion of certain statutory prerequisites, the Successor Agency received a Finding of Completion from the State of California Department of Finance ("Department of Finance") by letter dated October 16, 2013; and

WHEREAS, Health and Safety Code Section 34191.5(b) states that the Successor Agency shall prepare a Long Range Property Management Plan that addresses the disposition and use of the real properties of the former Redevelopment Agency, which shall be submitted to the Oversight Board and the Department of Finance for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion; and

WHEREAS, Health and Safety Code Section 34191.5, subdivision (c)(1) sets forth the required contents of the Long Range Property Management Plan and subdivision (c)(2) sets forth the permissible uses of the subject real properties; and

WHEREAS, the permissible uses include retention of properties for governmental use pursuant to Health and Safety Code Section 34181(a), retention of properties for future development, sale of properties, and use of properties to fulfill enforceable obligations; and

WHEREAS, on December 17, 2015 by Resolution No. 15-008, the Oversight Board approved the Successor Agency's original LRPMP ("Original LRPMP"); and

WHEREAS, by letter dated December 30, 2015, the Department of Finance approved the Successor Agency's Original LRPMP; and

WHEREAS, the Original LRPMP provided for two properties (APN 0055-170-220 and 0055-170-530) located south of Georgia Street and west of Sacramento Street that provide public parking and a plaza to connect the parking to commercial and retail uses on Georgia Street ("Public Parking Properties") to be sold; and

WHEREAS, On September 22, 2015, the Legislature amended the Redevelopment Dissolution Law by enacting SB 107; and

WHEREAS, Health and Safety Code Section 34191.3(b), as amended by SB 107, authorizes the Successor Agency to amend the Original LRPMP once "solely to allow for retention of real properties that constitute 'parking facilities and lots dedicated solely to public parking' for governmental use." The Successor Agency must submit the proposed amendment to the Oversight Board for review and approval, and any such amendment must be submitted to the DOF before July 1, 2016; and

WHEREAS, the Public Parking Properties are parking lots that are dedicated solely to public parking; and

WHEREAS, the governing board of the Successor Agency has determined that the Original LRPMP should be amended pursuant to Section 34191.3 to provide for the transfer of the Public Parking Properties to the City so that they can continue to be used for the governmental purpose of providing public parking ("Amended LRPMP"); and

WHEREAS, On June 28, 2016, in Resolution No. 16-002, the governing board of the Successor Agency approved the Amended LRPMP; and

WHEREAS, on June 28, 2016 by Resolution No. 16-069 N.C., the City of Vallejo agreed to accept properties conveyed by the Successor Agency pursuant to the Amended LRPMP; and

WHEREAS, the Amended LRPMP has been prepared in accordance with the requirements of Health and Safety Code, sections 34191.3 and 34191.5 and the Oversight Board has reviewed and considered the Amended LRPMP; and

WHEREAS, the governing board of the Successor Agency has determined it is in the best interest of the Successor Agency to proceed with the disposition and use of former Redevelopment Agency properties pursuant to the Amended LRPMP; and

WHEREAS, the Oversight Board finds that the Amended LRPMP is consistent with the Redevelopment Dissolution Law, and that the conveyance of the Public Parking Properties from the Successor Agency to the City of Vallejo will not materially impact the funds available for distribution to the taxing entities.

NOW THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vallejo hereby resolves as follows:

- 1. The Amended LRPMP attached to the Staff Report accompanying this Resolution is hereby approved.
- 2. Successor Agency staff is hereby authorized to make such minor, technical and clarifying revisions to the Amended LRPMP as are deemed necessary to carry out the purposes and intent of this Resolution and the Dissolution Law.
- 3. Successor Agency staff is hereby authorized and directed to transmit the approved Amended LRPMP and this Resolution to the State Department of Finance for its final review and approval in accordance with the requirements of Health and Safety Code Section 34191.5.

- 4. Successor Agency staff is hereby authorized to convey property to the City of Vallejo pursuant to the approved Amended LRPMP and to take all other actions as provided for and authorized by the Amended LRPMP.
- 5. Successor Agency staff is hereby further authorized to take all actions necessary with respect to the implementation of the approved Amended LRPMP consistent with this Resolution and its basic purposes.

PASSED AND ADOPTED AT A SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO ON JUNE 30, 2016 BY THE FOLLOWING VOTE:

AYES:

Chair Hannigan, Vice Chair Taylor, Boardmembers Dew-Costa, Lea, McAffee,

and Truelsen

NOES:

None

ABSTAIN:

None

ABSENT:

Boardmember Bishop

rin Hannigan, Chair

ATTEST:

Dawn G. Abrahamson, Secretary

AMENDMENT TO LONG RANGE PROPERTY MANAGEMENT PLAN OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO

In 2015, in accordance with the Redevelopment Dissolution Law (AB1x 26, as amended), the Successor Agency to the Redevelopment Agency of the City of Vallejo ("Successor Agency") prepared a Long Range Property Management Plan addressing the disposition and use of the real properties of the former Redevelopment Agency of the City of Vallejo ("RDA"). The Oversight Board to the Successor Agency ("Oversight Board") approved the LRPMP ("Original LRPMP") on December 17, 2015 by Resolution No. 15-008. The California Department of Finance ("DOF") approved the Original LRPMP by letter dated December 30, 2015.

The Original LRPMP directed that the following two public parking lot properties, designated by the Original LRPMP as Property No. 14 (APN 0055-170-220) and Property No. 15 (0055-170-530) and depicted in <u>Exhibit A</u> hereto (together, the "**Public Parking Properties**"), would be sold:

Property	APN	Acres	Location	Current Use
14	0055 170 220	.12	South of Georgia St and West of Sacramento St	Pedestrian plaza providing access from Property No. 15 (public parking lot) to Vallejo Bus Transit and retail uses on Georgia Street
15	0055 170 530	.25	South of Georgia St and West of Sacramento St	Public parking lot next to Vallejo Bus Transit

On September 22, 2015, the Legislature amended the Redevelopment Dissolution Law by enacting SB 107. Amended Health and Safety Code section 34191.3(b) authorizes the Successor Agency to amend the Original LRPMP once "solely to allow for retention of real properties that constitute 'parking facilities and lots dedicated solely to public parking' for governmental use." That section further requires the Successor Agency to submit the Oversight Board-approved amendment to the DOF before July 1, 2016.

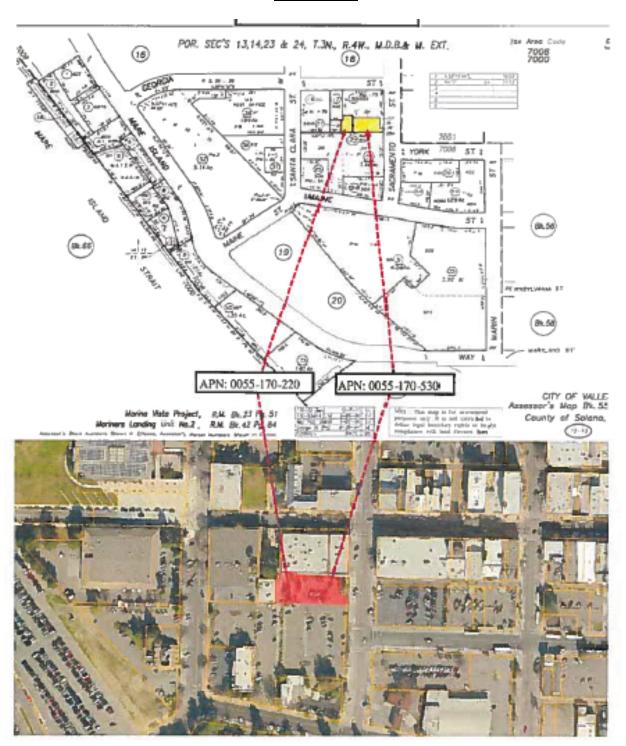
Accordingly, pursuant to Health and Safety Code section 34191.3(b), as amended by SB 107, the Original LRPMP is amended as follows:

- 1. The designation of the Public Parking Properties is hereby changed from "Category 2 Properties Available for Sale" to "Category 4 Properties to be Retained for Governmental Use."
- 2. The Public Parking Properties shall be transferred to the City of Vallejo to be retained for governmental use.

Except as amended by this Amendment, the Original LRPMP remains unmodified and in full force and effect in accordance with its terms.

The effectiveness of this Amendment is subject to the approval of the Oversight Board and the DOF.

EXHIBIT A



FINAL REVISED LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP): FORMER REDEVELOPMENT AGENCY-OWNED PROPERTIES CITY OF VALLEJO, CALIFORNIA December 17, 2015



Approved by Successor Agency to the former Vallejo Redevelopment Agency on June 23, 2015, Resolution No. 15-005 and Oversight Board of the Successor Agency on June 25, 2015, Resolution No. 15-003

Submitted to California State Department of Finance for review on July 1, 2015

Revised in December 2015 to address comment from the State Department of Finance received on November 25, 2015

Revised plan approved by the Oversight Board of the Successor Agency on December 17, 2015, Resolution No. 15-008

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Executive Summary of the City of Vallejo Long Range Property Management Plan for Former Redevelopment Agency Properties December 17, 2015

California Health & Safety Code Section 34191.5 directs successor agencies that receive a finding of completion from the State Department of Finance ("DOF") to prepare a Long Range Property Management Plan ("LRPMP") addressing the disposition and use of the real properties of the former redevelopment agency. The LRPMP (Attachment 1) is the result of significant research and compilation of data in order to meet the specific requirements of the legislation and to provide a specific recommendation on the disposition of a variety of properties.

State law requires that the LRPMP include a detailed inventory of all former Redevelopment Agency owned properties, and that each property be placed into one of four categories:

- 1. Use of property to fulfill an enforceable obligation
- 2. Available for sale
- 3. Retention for future development
- 4. Retention for government use

The thirty-seven (37) parcels were placed into the four disposition categories and are summarized below. The map below presents the overview of the plan for these properties. The full LRPMP provides the background on each parcel.



Fourteen (14) properties have been determined to be Public Trust lands that must be retained by the City. Public Trust lands are properties that are or were at one time tidelands, submerged lands or lands lying under inland navigable waters. Land that can be documented at one time to have been one of these types of property (and subsequently filled) may also be considered Public Trust lands. Public Trust lands are subject to certain use limitations and cannot be sold to private parties. Such properties can be leased to private parties for public trust purposes, but for no longer than 66 years. The Successor Agency proposed that the Public Trust lands be viewed as an enforceable obligation and proposed in the LRPMP to transfer to the City in support of that obligation. DOF has not recognized the Public Trust lands as an enforceable obligation in the context of redevelopment dissolution law. The primary change in the December 2015 revision of the LRPMP is to assign certain of the public trust lands to the category of Retain for Future Development or Retain for Government Use as directed by the DOF.

Category 1 - Properties Used to Fulfill Enforceable Obligations

There are two properties to be used by the City to fulfill enforceable obligations. The existing Vallejo Station Garage occupies two (2) properties that were initially denied transfer by DOF but approved for transfer by the State Controller's Office in November 2014. They have been retained in the LRPMP to allow DOF to now approve the transfer.

1. Properti	1. Properties Used to Fulfill Enforceable Obligations (Vallejo Station and Public Trust Parcels)				
Property	APN	Acres	Location	Current Use	
1	0055 170 360	.77	Vallejo Station, Mare Island Way	Ferry Parking	
2	0055 170 520	5.14	Vallejo Station, Mare Island Way	Ferry Parking	

Category 2 - Properties Available for Sale

A total of six (6) properties will be available for sale pursuant to the Disposition Plan section of the LRPMP. The properties available for sale include:

- Two (2) properties adjacent to the Vallejo Bus Transit Center and behind privately-owned Georgia Street buildings near Sacramento and York Streets.
- Four (4) properties that were rights-of-way for existing railroad spurs near the water treatment plant in South Vallejo. The railroad spur properties have little or no development value and one possible disposition strategy will be to offer them to the adjoining property owners.

Property	APN	Acres	Location	Current Use
14	0055 170 220	.12	South of Georgia St and West of Sacramento	Pedestrian Plaza next to Vallejo Bus Transit
15	0055 170 530	.25	South of Georgia St and West of Sacramento	Parking Lot next to Vallejo Bus Transit
18	0058 100 300	.23	Between Solano Ave and Ryder St by Water Treatment Facility	Railroad Spur

19	0058 100 320	.07	Between Solano Ave and Ryder St by Water Treatment Facility	Railroad Spur
20	0058 100 450	.30	Between Solano Ave and Ryder St by Water Treatment Facility	Railroad Spur
21	0058 100 130	.45	Between Ryder St and Southern Pacific RR	Railroad Spur

Category 3 - Properties to be Retained by the City for Future Development

A total of eighteen (18) properties are recommended to be retained by the City to facilitate development consistent with the City's and former Redevelopment Agency's plans and redevelopment objectives. Two (2) of these properties are positioned in the heart of the downtown and one is identified in the Downtown Plan as a "catalyst site" for Downtown revitalization. With their close proximity to the Vallejo Transit and Ferry Terminal, these sites are prime opportunities for transit-oriented development. The City would need to retain the properties until it can enter into a new disposition and development agreement with a qualified developer.

Nine (9) properties located in the Southern Waterfront area planned for moderate density residential development on much of the property, and commercial/light industrial development on the remainder. Through an agreement with the City, PG&E has assumed remediation of many of the properties, and staff is evaluating options for funding additional remediation on other parcels.

Seven (7) of the Public Trust properties along the Mare Island Strait are to be transferred to the City for future development. Development of these sites is constrained by the requirements of the Public Trust and the sites cannot be sold unless there is a future action by the State Lands Commission to terminate the Public Trust on the sites. Several are subject to long term existing leases which further constrain the use.

3. Properties Retained by the City for Future Development					
Property	APN	Acres	Location	Current Use	
4	0055 160 410	5.23	Mare Island Way @ Capitol	Yacht Club	
7	0055 170 020	.70	Mare Island Way @ Georgia	Short-Term Parking & Restaurant	
11	0055 170 400	.49	Mare Island Way, south of Ferry Landing	Marina Dental office	
13	0058 090 370	1.25	Solano Ave at Mare Island Strait	Leased to Kiewit	
16	0055 160 170	2.31	Santa Clara and Capitol, adjacent to Marina Tower	Parking	
17	0055 170 280	.74	Corner of York and Sacramento	Parking	
22	0058 090 260	.17	So. Waterfront -Mare Island Way by former Brinkman's	Public sidewalk and right of way	
23	0058 090 270	.59	So. Waterfront - Mare Island Way near boat launch	Parking	
24	0058 090 280	1.78	So. Waterfront - Mare Island Way near boat launch	Parking	
25	0058 090 290	.23	So. Waterfront - Mare Island Way near boat launch	Parking	

26	0058 090 300	.15	So. Waterfront - Mare Island Way near boat launch	Parking/Storage lockers
27	0058 090 310	.36	So. Waterfront - Mare Island Way near boat launch	Parking/Storage lockers
28	0058 090 320	.09	So. Waterfront - Off Curtola Parkway @ Maine St	Vacant
29	0058 090 330	13.88	So. Waterfront - Curtola and Sonoma Blvd (Big Bay Storage)	Vacant
30	0058 090 340	8.70	So. Waterfront – Sonoma Blvd and Solano Ave	Leased to First Capitol Auction & Humane Society
31	0055 090 350	14.05	Waterfront from Mare Island Way to Solano Ave	Parking, open space, public access boat launch
32	0058 090 360	0.37	So. Waterfront shoreline	Submerged lands
33	0058 090 380	2.22	Solano Ave at Mare Island Strait	Leased to Kiewit

Category 4 - Properties to be Retained for Government Use

A total of eleven (11) parcels are proposed to be transferred to City to be retained for governmental use. Dissolution law was changed in September 2015 to allow public parking lots to be transferred to the City for governmental use. Six (6) of the Public Trust properties have been identified as public parking and are to be transferred to the City for Government Use. Property #10 is used for public access to the waterfront and the San Francisco Bay Area Water Emergency Transportation Authority (WETA) ferry landing, which are also government uses.

In February 2015, DOF directed that the four housing parcels be placed on the LRPMP and transferred to the City under government use as affordable housing. These properties were previously approved for transfer to the Housing Authority by the Successor Agency and Oversight Board in May 2014. DOF recommended they be put on the LRPMP and transferred to the City first. These four properties will likely be further conveyed by City to the Vallejo Housing Authority.

4. Proper	. Properties Retained for Government Use						
Property	APN	Acres	Location	Current Use			
3	0055 160 360	.26	Mare Island Way @ Capitol	Yacht Club parking			
5	0055 160 420	.28	Mare Island Way @ Capitol	Yacht Club parking			
6	0055 170 010	.61	Mare Island Way @ Georgia	Short-Term Parking			
8	0055 170 030	.60	Mare Island Way @ Georgia	Short-Term Parking			
9	0055 170 050	.80	Ferry Landing, Mare Island Way	Ferry Basin and Dock			
10	0055 170 060	.39	Ferry Landing, Mare Island Way	Public Sidewalk & Ferry Plaza			
12	0055 170 080	.53	Mare Island Way, south of Ferry Landing	Marina Dental parking			
34	0072 044 100	NA	Confidential	Leased to Safequest – Shelter			
35	0055 072 100	NA	Confidential	Leased to Bi Bett – Recovery Program			

36	0055 074 040	NA	Confidential	Leased to Bi Bett –
				Recovery Program
37	0058 022 040	NA NA	Confidential	Leased to Bi Bett –
				Recovery Program

Disposition Plan Section

The LRPMP includes a section that outlines the disposition process for each Successor Agency property. Activities under the Disposition Plan include pre-development work to position for-sale properties to realize their full market potential; marketing and outreach; and negotiation of sale contract terms and price, subject to final approval by the Successor Agency and Oversight Board.

Once sold, the properties could potentially be privately developed for uses consistent with the City of Vallejo General Plan, zoning ordinance, Downtown Specific Plan development guidelines and Vallejo Waterfront Planned Development Master Plan. The LRPMP designates properties to be retained by the City for future development in accordance with redevelopment plan objectives. Prior to sale to a third party developer, the City will enter into "compensation agreements" with each of the taxing entities that share in property tax increment revenue of the Successor Agency. The LRPMP commits the City to doing so, if and to the extent required by applicable law.

City of Vallejo Long Range Property Management Plan for Former Redevelopment Agency Properties December 17, 2015

A. BACKGROUND

This Long Range Property Management Plan ("LRPMP") of the Successor Agency to the City of Vallejo's Redevelopment Agency ("Successor Agency"), has been prepared pursuant to California Health and Safety Code 34191.4(a) and 34191.5 (a). It sets forth the Successor Agency's strategy for the disposition of its real property assets as required by ABx1-26 which dissolved all California Redevelopment Agencies, and AB 1484 which made technical adjustments to ABx1-26 (collectively, the "Dissolution Act").

The City of Vallejo's Redevelopment Agency ("Redevelopment Agency"), along with all other redevelopment agencies in the State of California, was dissolved on February 1, 2012 by ABx1-26 enacted by the legislature in late June 2011. The legislation established a Successor Agency to administer the wind-down of the former Redevelopment Agency's assets. The Successor Agency Board is composed of the members of the City Council. Also pursuant to the legislation, an Oversight Board was established to monitor and approve the Successor's Agency's efforts. The Oversight Board includes representatives of the taxing entities that share in property tax increment revenue generated in the former Project Areas of the Redevelopment Agency. Lastly, the legislation provides the State Department of Finance ("DOF") with the ultimate authority to approve most of the actions of the Successor Agency and Oversight Board.

AB 1484 (enacted June 27, 2012) made technical and substantive amendments to the Dissolution Act. Among those changes was a modification in how a successor agency could address the real property assets of the former Redevelopment Agency. Whereas under ABx1-26, successor agencies were expected to expeditiously dispose of former redevelopment agency property and make the proceeds available to taxing agencies, under AB 1484, as codified in Health and Safety Code section 34191.4(a) and 34191.5 (a), the Successor Agency must prepare a Long Range Property Management plan that sets forth a strategy for the appropriate retention and disposition of real property assets. A LRPMP is to be completed within six months of the Successor Agency receiving a "Finding of Completion" indicating that it has complied with the requirement for addressing non-real property assets and other procedural requirements. On October 16, 2013 (Attachment B-1), the Department of Finance provided a Finding of Completion notice to the Successor Agency triggering the six-month preparation time frame for this LRPMP.

On September 22, 2015, SB 107 was enacted by the State changing aspects of dissolution law. Three changes are relevant to this LRPMP:

- 1. LRPMPs must be approved by the DOF before January 1, 2016. DOF approval of an LRPMP constitutes the DOF approval of actions necessary to implement the LRPMP by the Successor Agency as approved by its Oversight Board.
- 2. Public Parking lots can be transferred as a governmental use from the Successor Agency to the City.
- 3. Certain costs related to preparing properties for development are no longer allowed to be paid from tax increment revenue flowing through the Successor Agency.

In May 2014, the Successor Agency, City Council and Oversight Board approved an initial proposed LRPMP and forwarded it to DOF for its review. DOF provided direction on revisions to the initial LRPMP that have been incorporated into this LRPMP. The revisions included the addition of one new Public Trust Land parcel, acknowledgment that the two Vallejo Station Parking Garage structures have been approved

for transfer by the State Controller's Office, incorporation of the book value into the LRPMP Matrix, and other minor technical changes. At the same time these changes were made, the category of the Southern Waterfront was changed from "available for sale" to "retention for future development" to ensure the completion of the remediation work and implementation of a high quality development plan for the 43 acre site. The LRPMP addressing these changes was approved by Successor Agency to the former Vallejo Redevelopment Agency on June 23, 2015, Resolution No. 15-005 and Oversight Board of the Successor Agency on June 25, 2015, Resolution No. 15-003. Note that the Successor Agency approval also authorized the staff to make any changes required by the DOF to secure an approved LRPMP.

On November 25, 2015, DOF denied the City's designation that the fourteen (14) Public Trust properties be used by the City to fulfill an enforceable obligation and directed the Successor Agency to revise the LRPMP to change the disposition recommendation.

B. OVERVIEW OF PROPOSED REAL PROPERTY RETENTION AND DISPOSITION

Health & Safety Code Section 31419.5 provides that successor agencies receiving a Finding of Completion shall prepare a LRPMP. The LRPMP shall include an inventory of the successor agency's real property, including information as to its current use, permitted use (zoning), intended use, encumbrances, environmental constraints, and estimated value. The property information matrix attached as Attachment A includes all available information with respect to each property which information is further discussed in Section IV of this plan. Per the Dissolution Act, the LRPMP shall place each of the successor agency-owned real property assets into one of the following categories:

- 1. Use of property to fulfill an enforceable obligation
- 2. Available for sale
- 3. Retention for future development
- 4. Retention for government use

The Successor Agency through this LRPMP identifies thirty-seven (37) properties as follows:

- 1. Two (2) properties to be used by the City to fulfill enforceable obligations.
- 2. Six (6) properties to be made available for sale by the Successor Agency.
- 3. Eighteen (18) properties to be retained by the City for future development consistent with the redevelopment plan.
- 4. Four (4) properties to be retained by the City for government use as public assets allowing the continued operations of shelter and recovery programs and seven (7) Public Trust properties retained for government use as public parking lots.
- 1. Properties Used to Fulfill Enforceable Obligations: In November 2014, the State Controller's Office (SCO) approved the transfer of two (2) properties that are the Vallejo Station Parking Garage that were originally transferred to the City of Vallejo in 2011 pursuant to the Waterfront DDA. The SCO's report is provided as Attachment B-2 and the recorded grant deeds transferring the parcels are provided as Attachment B-3. These two properties are subject to the City of Vallejo WETA Transfer Agreement for the construction and operation of a 1,200 space garage for ferry and transit public parking.
- 2. <u>Properties For Sale</u>: Two (2) properties adjacent to the Vallejo Transit Terminal and Vallejo Station Parking Garage would be available for sale. An additional four (4) properties that were former rail spurs would be available for sale.

3. Properties Retained by the City for Future Development: This LRPMP identifies eighteen (18) properties to be transferred to the City for future development in accordance with the redevelopment plan of the former Redevelopment Agency. Nine (9) properties in the Southern Waterfront are designated "retention for future development". The Southern Waterfront properties were originally subject to a Waterfront DDA and a Vallejo Planned Waterfront Master Plan ("PDMP") which outlines a mixed used development program for this key property along the Vallejo waterfront including residential, commercial/industrial, and public infrastructure, park and open space. A detailed "scope of development" for the Southern Waterfront was included as Attachment No. 4 to the 3rd Amendment to the Waterfront DDA in 2007. Additionally, the Waterfront DDA had an adopted master plan for these properties to guide future development that would maximize their future value and a coordinated development plan. On December 16, 2013, the Oversight Board approved an amendment to the Waterfront DDA that removed these properties from the DDA (Attachment B-5). The DOF approved the Amended Waterfront DDA on January 29, 2014 (Attachments B-6 and B-7), thereby making them available for disposition to the City. These properties are subject to a PG&E Remediation Agreement that will delay the immediate sale of the properties. The intent is for these properties to be transferred by the Successor Agency to the City and, upon completion of remediation, for the City to subsequently enter into disposition and development agreement(s) with one or more qualified developers to ensure a high quality development plan for the entire site.

Two (2) properties were subject to the former Triad Disposition and Development Agreement (DDA) which was terminated by the Agency and became the subject of litigation with Triad. At its meeting of January 31, 2014, the Oversight Board approved a Settlement Agreement which released these properties from the Triad DDA obligation (Attachment B-8). DOF approved this action by letter dated March 28, 2014 (Attachment B-11). One of these properties proposed for retention by the City has a lease that is an enforceable obligation (Attachment B-9), as described further in Section C.3 below. 1.

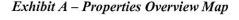
Seven (7) properties that are Public Trust Lands would be transferred to the City as their designated trustee. Several Public Trust properties proposed for transfer to the City also have leases or agreements (Attachment B-4) that would be considered enforceable obligations as described further below.

- 4. Properties Retained by the City for Government Use: The Department of Finance directed the Successor Agency to add four (4) affordable housing properties to the LRPMP. In May 2014 both the Successor Agency and Oversight Board approved the transfer of four properties used as a homeless shelter and recovery program affordable housing to the Housing Authority. These properties were originally purchased using low and moderate income housing funds. DOF directed that these properties should be added to the LRPMP. These properties will be transferred to the City of Vallejo for government use for affordable housing. It is anticipated that the City would transfer these properties to the Housing Authority which is better positioned to ensure their long term use for affordable housing. Seven (7) of Public Trust properties have been identified as public parking and are to be transferred to the City for Government Use.
- * <u>Properties Previously Approved for Transfer by DOF</u>: Various properties have been previously approved by DOF for transfer to the City. Those previously approved transfers include the following:
 - a. Transfer of twelve (12) governmental use properties by the Successor Agency to the City pursuant to Successor Agency Resolution No. 13-003 and Oversight Board Resolution No. 13-2 to which DOF consented in a letter dated July 15, 2013. Copies of the Successor Agency and Oversight Board resolutions, and the DOF letter, are attached hereto as Attachment B-10. (Although the Oversight Board resolution refers to thirteen properties, upon further investigation staff determined the Redevelopment Agency never held title to one of those properties. The Successor

- Agency resolution correctly refers only to twelve properties.)
- b. Transfer of two (2) parcels comprising the central waterfront properties (APN 0055 160 600 and APN 0055 160 610; also known as "Parcel J") that are the subject of the Fourth Amended Waterfront DDA discussed below, which parcels were approved for transfer by the Successor Agency to the City by Successor Agency Resolution No. 13-005 and Oversight Board Resolution No. 13-9, and which DOF approved by letter dated January 29, 2014. Documentation can be found in Attachments B-6, B-7 and B-12. These parcels have now been transferred to the City of Vallejo and the grant deeds recorded with Solano County on March 6, 2015.

C. DESCRIPTION OF INTENDED PROPERTY RETENTION AND DISPOSITION

Exhibit A, on the next page, shows the location of all properties subject to the LRPMP except for the four housing asset properties. More detailed site maps for the properties are found in the Exhibits Section under Attachment C to the LRPMP and the description below will refer to those specific Exhibits.





1. Properties Used to Fulfill Enforceable Obligations

As noted above, several parcels of former Redevelopment Agency land have already been approved by DOF for transfer to the City and have been transferred, including parks and open space, and the parcels comprising the Central Waterfront - Parcel J site. This LRPMP addresses another type of parcels subject to enforceable obligations: parcels used for regional ferry parking. In 2013, DOF directed that the transfer of Property #1 and #2 to the City of Vallejo in 2011 be reversed and such properties returned to the Successor Agency because they had been transferred after the dissolution of Redevelopment. However, in November 2014, after the drafting and review of the LRPMP, the SCO issued a Finding and Order approving the transfer of these properties to the City of Vallejo. We have retained these two properties in

the LRPMP to allow DOF to confirm the SCO's approval of the transfer of these two parcels to the City to fulfill enforceable obligations.

Table 1A - Two (2) Properties Obligated for Regional Transit Agency Parking

Property #	APN	Location/Description	Current Use	Lot Acres
1	0055 170 360	Vallejo Station, Mare Island Way	Regional Ferry Parking Garage	.77
2	0055 170 520	Vallejo Station, Mare Island Way	Regional Ferry Parking Garage	5.14

A site map depicting the above properties is provided in Attachment C – Exhibit B. Under the terms of the Waterfront DDA, the Redevelopment Agency was required to transfer the two properties noted in Table 1A (APN 0055-170-520 and APN 0055-170-360) to the City of Vallejo for construction of the Vallejo Station Parking Garage. These parcels were transferred to the City of Vallejo in September 2011.

2. Properties Available for Sale

Table 2A – Two (2) Properties for Sale ~ Adjacent to Bus Transit Center

Property #	APN	Location/Description	Current Use	Acres
14	0055 170 220	South of Georgia St and West of Sacramento	Pedestrian Plaza-adjacent to parking lot and transit terminal	.12
15	0055 170 530	South of Georgia St and West of Sacramento	Parking Lot adjacent to transit terminal	.25

These properties above are depicted in the site map provided in Attachment C - Exhibit I.

The LRPMP proposes that the above two properties (#14 and #15) located adjacent to

The LRPMP proposes that the above two properties (#14 and #15) located adjacent to the Vallejo Bus Transit Center currently used as a public plaza and parking lot be prepared for sale. There are no enforceable obligations or other agreements that would delay the sale of these parcels. The proposed Disposition Plan objective is to sell these properties for private development consistent with the existing City of Vallejo General Plan, Downtown Specific Plan, and zoning ordinance land use designations.

Table 2B - Four (4) Properties for Sale - Railroad Spurs

Property #	APN	Location/Description	Current Use	Acres
18	0058 100 300	Between Solano Ave and Ryder	Railroad Spur	.23
		Street by Water Treatment Facility		
19	0058 100 320	Between Solano Ave and Ryder	Railroad Spur	.07
		Street by Water Treatment Facility	国内的基础 。1757年	
20	0058 100 450	Between Solano Ave and Ryder	Railroad Spur	.30
		Street by Water Treatment Facility		
21	0048 100 130	Between Ryder St and Southern	Railroad Spur	.45
		Pacific RR	有数据证据证据	

These properties above are depicted in the site maps provided in Attachment C - Exhibits L and M. These four properties (#18, #19, #20 and #21) were acquired in 1988 when the former Redevelopment Agency purchased properties from Kaiser Steel as part of a bankruptcy settlement. The Corporation Grant

Deed outlining the transfer of these properties is provided as Attachment B-5. The former Redevelopment Agency acquired a fee interest in 11 properties along with leasehold interests in 2 properties that Kaiser Steel had leased from the City of Vallejo.

The four railroad spur properties have suspected hazardous materials contamination and limited development potential because of their size and configuration. These parcels may have a negative value until such time as their hazardous materials contamination is known and a determination is made regarding the interest of adjacent property owners in acquiring the properties. Further investigation of these properties and their market potential is needed before these properties can be readied for sale, and the Disposition Plan envisions such further investigations. The only likely sale is to the adjacent property owner for incorporation into its properties.

3. Properties to be Retained by the City for Future Development

Three sets of properties are proposed to be transferred to the City and held for development. The first are nine Southern Waterfront properties and the second are two downtown properties. Both the Waterfront and Downtown were the subject of prior redevelopment plans. The third set of properties are Public Trust properties that are not currently used for parking and several of which are subject to long-term leases

Property #	APN	Location/Description	Current Use	Acres
22	0058 090 260	So. Waterfront – Mare Island Way by former Brinkman's	Public Sidewalk and Right of Way	.17
23	0058 090 270	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	.59
24	0058 090 280	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	1.78
25	0058 090 290	So. Waterfront – Mare Island Way near boat launch	Public Sidewalk and Right of Way	.23
26	0058 090 300	So. Waterfront – Mare Island Way near boat launch	Parking Lot for Vallejo Launching Facility	.15
27	0058 090 310	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	.36
28	0058 090 320	So. Waterfront – Off Curtola Parkway @ Maine St.	Vacant	.09
29	0058 090 330	So. Waterfront – Curtola and Sonoma Blvd	Includes vacant site of former manufactured gas plant	13.88
30	0058 090 340	So. Waterfront – Sonoma Blvd and Solano Ave	Leased to First Capitol Auction and Benicia-Vallejo Humane Society	8.70

Site maps depicting the above properties are provided in Attachment C - Exhibits N, O and P. The nine properties above encompass a great portion of an area referred to as the "Southern Waterfront Area". They were acquired by the Redevelopment Agency in the same Kaiser Steel bankruptcy purchase mentioned earlier regarding the four rail spur properties. These nine properties have had several lot splits and lot mergers over the years to position them for future development.

Many of these properties have toxic contamination issues that prevent them from being placed on the market

for sale immediately. A portion of the Southern Waterfront properties (Property #30 and a portion of Public Trust property #31), comprising 17 acres has undergone a toxics remediation program. A March 25, 2010 Target Site Investigation Study prepared for the Environmental Protection Agency determined that there was no contamination across the site above screening level but that remaining "hot spots of arsenic" require further investigation and possible remediation before development can occur. The Department of Toxic Substances Control ("DTSC") approved this report.

The remaining 26 acres of the Southern Waterfront property (Properties #22 - #29 and that portion of Public Trust Property #31 not included within the 17-acre site discussed above) are currently the subject of an environmental investigation. From 1872 to 1930, a manufactured gas plant was operated on the site. The history of site uses also includes landfilling, boat storage and maintenance, boat fueling and launching, ammunition depot barracks, auto junkyard, marine fabrication yard and creosote wood treatment area. Significant hazardous materials are located on this 26-acre site once owned by PG&E which has taken responsibility for cleanup of the site and as of April 2013, an environmental investigation and cleanup analysis was being conducted. DTSC will provide oversight of this work and will approve a future remediation plan. In January 2015, DTSC approved the Vallejo MGP Site Characterization Report that defines the extent of historic residues in soil, soil gas, and groundwater. It is anticipated that DTSC will approve the Remedial Action Plan in 2016 and that site cleanup will begin in 2017 and be completed in 2019. The 26-acre site will not be available for sale or development until the remediation program has been implemented.

The LRPMP disposition plan for this 43-acre site is for it to be transferred to the City of Vallejo for future development at such time as it is remediated and can be sold for development consistent with applicable zoning and land use plans for the site. The original Waterfront DDA and the Vallejo Planned Waterfront Master Plan ("PDMP") contemplate a mixed used development program for this key property along the Vallejo waterfront including residential, commercial/industrial, and public infrastructure, park and open space. A detailed "scope of development" for the Southern Waterfront was included as Attachment No. 4 to the 3rd Amendment to the Waterfront DDA in 2007. The intent would be for the City to enter into a Disposition and Development Agreement with a qualified developer to ensure the quality of the ultimate development plan for the entire site.

Table 3B – Two (2) Properties to be Retained ~ Former Triad DDA

Property #	APN	Location/Description	Current Use	Acres
16	0055 160 170	Santa Clara and Capitol, adjacent to Marina Tower	Tower Parking Lot, 99 spaces	2.31
17	0055 170 280	Corner of York and Sacramento	Parking Lot, 81 spaces	.74

These two properties are depicted on the site maps provided in Attachment C - Exhibits J and K.

The LRPMP proposes that these two properties be retained by the City for future development consistent with the Redevelopment Plan of the former Redevelopment Agency. These two properties are critical to the City and former Redevelopment Agency's long established plans to revitalize the City's downtown area with transit oriented development. To further this objective, the City adopted a Downtown Specific Plan that encourages urban scale residential and mixed-use developments within a pedestrian and transit-oriented walkable downtown. The Downtown Specific Plan originally envisioned a fifteen to twenty year build out which included up to 2,283 residential units, and 591,700 square feet of commercial development and significant infrastructure investment. A series of Catalyst and Opportunity sites were identified as the most likely sites for redevelopment. The Downtown Specific Plan was complemented in 2007 by the Vallejo

Waterfront Planned Development Master Plan ("PDMP"). It too called for mixed-use development and redevelopment of the waterfront and a portion of historic downtown. The Waterfront Master Plan included residential, commercial and open space and public improvements related to circulation and access along the waterfront and the City of Vallejo ferry service to San Francisco.

The latest Redevelopment Agency Implementation Plan, 2009-2014 was largely oriented toward implementing the Waterfront and Downtown Plans. Its objectives included:

- 1. Re-planning and redesigning, and development of areas that are stagnant or improperly utilized. Strengthening of retail and other commercial functions.
- 2. Strengthening of the economic base and the community by the installation of needed site improvements to attract and stimulate private investment, including expansion of residential, commercial, and light industrial uses, and social and economic growth, and consequently increase the tax yields to the community.
- 3. Providing adequate land for parking and open spaces.
- 4. Promoting increased cultural, social and recreational opportunities for the citizens of the community.
- 5. Establishing performance criteria to assure high site design standards and environmental quality and other design elements that provide unity and integrity to all the Merged Projects.

To implement the former Redevelopment Agency's and City's objectives for the Downtown Specific Plan area, the Redevelopment Agency entered into a Disposition and Development Agreement with Triad Development Company in 2007 ("Triad DDA"). Under the Triad DDA, Triad was given development rights to several parcels in Downtown, including two held by the Agency (Properties #16 and #17). In 2009, as a result of Triad's non-performance of its obligations under the Triad DDA, the Triad DDA was terminated by the Agency. On February 23, 2011, Triad brought an action entitled Triad Downtown Vallejo, LLC v. City of Vallejo, et.al. Case No. FCS037433 filed in the Solano County Superior Court (Action) against the former Redevelopment Agency and the City alleging that the Redevelopment Agency breached the Triad DDA and that the City breached the Development Agreement between City and Triad. Triad, City and the Successor Agency reached a Settlement Agreement related to this action. The Successor Agency and City Council in a joint session on January 14, 2014 approved the Settlement Agreement. The Oversight Board approved the Settlement Agreement on January 16, 2014 by Resolution No. 14 - 1 (Attachment B-8). DOF approved the Settlement Agreement terms in a letter dated March 28, 2014 (Attachment B-11). The settlement freed two critical parcels of land from the potential enforceable obligations associated with the Triad DDA that was the subject of the litigation. It also allowed the City and Successor Agency to explore new opportunities for maximizing the value of these properties for transitoriented development with another development partner.

The Successor Agency and the City of Vallejo intend to uphold the objectives and redevelopment vision outlined in the original Redevelopment Plan and merged project areas, the Five Year Implementation Plan 2009-2014, the Downtown Specific Plan and the PDPM during the implementation of the LRPMP. Properties #16 and #17 were identified as catalyst sites for development in the Downtown Specific Plan. These sites are within two blocks of the Vallejo Bus Transit Center, and three blocks of the Vallejo Ferry Terminal, and would be suitable for transit-oriented development. With the recent significant improvements in the housing and commercial development markets in the Bay Area, the underlying assumptions that led Triad and other developers to pursue development in downtown Vallejo are once again applicable. In order to ensure that development occurs consistent with the City and former Redevelopment Agency's long-held plans for the area, the LRPMP calls for the retention of properties #16 and #17 by the City. Future development of these properties with higher intensity residential and commercial uses through

a disposition and development agreement will lead to greater property tax increment revenue to the taxing entities over the long term than an immediate sale to a buyer without an agreement in place to develop them.

Property #17 has no known encumbrances and is currently used for public parking. However, it should be noted that property #16 is encumbered by an existing lease agreement with the owners of the Marina Tower apartment complex related to the provision of parking. A lease for 45 parking spaces to serve the 155 unit affordable housing complex was executed (Attachment B-9) in 1995 and runs until August 31, 2060 or as long as the Marina Tower is an affordable housing complex. Property #16 will be sold for development subject to the lease encumbrance requiring provision of these 45 parking spaces unless other arrangements are made. Both properties will continue to be used as public parking to benefit the downtown business district until such time as redevelopment opportunities are in place.

Table 3C- Seven (7) Properties to be Retained -- Public Trust Lands

Property #	APN	Location/Description	Current Use	Acres
4	0055 160 410	Mare Island Way @ Capitol	Vallejo Yacht Club	5.23
7	0055 170 020	Mare Island Way @ Georgia	Restaurant and short-term parking for Waterfront, portion of 108 spaces (lease to 2066)	0.70
11	0055 170 400	Mare Island Way, south of Ferry Landing	Marina Dental next to Ferry Landing Area (lease to 2024)	0.49
13	0058 170 370	Solano Ave at Mare Island Strait	Leased to Kiewit to 2050	1.25
31	0058 090 350	Waterfront From Mare Island Way to Solano	Former Waterfront DDA parcel includes public parking for boat launch and vacant unimproved waterfront	14.05
32	0058 090 360	Southern Waterfront shoreline	Public Sidewalk and Right of Way	0.37
33	0058 090 380	Solano Ave at Mare Island Strait	Leased to Kiewit to 2050	2.22

The various public trust properties above are depicted in the site maps provided in Attachment C - Exhibits C, D, F, G, and P.

The LRPMP provides that the properties listed above be retained by the City because they are Public Trust lands granted to the City for stewardship by the State of California under the supervision of the State Lands Commission. Public Trust lands are properties that are, or were at one time, tidelands, submerged lands or lands lying under inland navigable waters. Land that can be documented at one time to have been one of these types of property (and later filled in) is also subject to being considered Public Trust land. Public Trust lands are subject to certain use limitations and cannot be sold to private parties. Such properties can be leased to private parties for public trust purposes, but for no longer than 66 years. We have not been able to determine exactly when the former Redevelopment Agency acquired the Public Trust properties, but because these parcels have been and must continue to be used consistent with public trust purposes, the LRPMP provides for them to be transferred to the City to retain for development. Attachment B-4 includes maps provided by the State Lands Commission of properties granted to the City of Vallejo as Public Trust lands. Some of the properties have been leased to provide for public uses and public conveniences pursuant to Public Trust doctrine that allows leases not to exceed 66 years. Although these properties are being

transferred to the City to retain for future development, they cannot be sold unless a future action by the State Lands Commission terminates the Public Trust restrictions on the parcels.

Attachment A, the LRPMP Matrix, provides more information about each public trust property to be retained by the City for future development. A summary of the seven parcels follows:

- Property #4 is subject to a lease with the Vallejo Yacht Club;
- One property (#7) was the subject of a lawsuit and Court-mandated settlement agreement between the Redevelopment Agency and the property owner that outlined the terms of the Redevelopment purchase. Pursuant to the Court-mandated settlement agreement, the Redevelopment Agency paid \$108,000 for the restaurant property in 1966 and the property has an existing lease that extends to 2066, at which time the property will revert to the City;
- One property (#11) is currently leased as a dental office, which use will terminate when the lease expires in 2024;
- Two properties (#13 and #33) APN 0058 090 370 and APN 0058 090 380 are located adjacent to the southern waterfront parcels and are leased to Kiewit Infrastructure West. It is not known when or how the Redevelopment Agency acquired title to the properties. However, staff was able to determine that these are Public Trust properties and, therefore, must be held in trust by the City;
- One property (#32) is partially submerged and is also Public Trust land.

4. Properties to be Retained by the City for Government Use – Affordable Housing and Parking

Table 4A – Four (4) Properties Retained for Government Use as Shelter and Recovery Housing

Property #	APN	Location/Description	Current Use	Leased to
34	0072 044 100	Confidential	Residential	Safequest Shelter
35	0055 072 100	Confidential	Residential	Bi-Bett Recovery
36	0055 073 040	Confidential	Residential	Bi-Bett Recovery
37	0058 022 040	Confidential	Residential	Bi-Bett Recovery

The former Redevelopment Agency purchased these properties between 1988 and 1994. They have been leased to Safequest and Bi-Bett as a shelter and as a recovery program housing since acquisition. In May 2014, both the Successor Agency and Oversight Board approved the transfer of these four properties to the Housing Authority as housing successor agency. These properties were originally purchased using low and moderate income housing funds. After reviewing this transfer request, the DOF determined that these properties should be put on the LRPMP and initially transferred to the City of Vallejo as affordable housing properties. Consequently these residential properties were added to the LRPMP and will continue to be used for affordable housing. It is anticipated that City may subsequently transfer these affordable housing properties to the Housing Authority.

Table 4B – Seven (7) Public Trust Properties Retained for Government Use

Property #	APN	Location/Description	Current Use	Acres
3	0055 160 360	Mare Island Way @ Capitol	Vallejo Yacht Club Parking	0.26
5	0055 160 420	Mare Island Way @ Capitol	Vallejo Yacht Club Parking	0.28
6	0055 170 010	Mare Island Way @ Georgia	Short-Term Parking for Waterfront, portion of 108 spaces	0.61
8	0055 170 030	Mare Island Way @ Georgia	Short term parking for Waterfront, portion of 108 spaces	0.60
9	0055 170 050	Ferry Landing, Mare Island Way	Ferry Basin and Dock	0.80
10	0055 170 060	Ferry Landing Mare, Island Way	Public Sidewalk & Plaza Ferry Landing Area	0.39
12	0055 170 080	Mare Island Way, south of Ferry Landing	Parking for Marina Dental 47 spaces	0.53

These Public Trust properties were determined by DOF to be appropriate for the category of transfer for government use. They provide parking and access ways for the waterfront for public use. The various public trust properties above are depicted in the site maps provided in Attachment C - Exhibits C, D, E, and F. Attachment A, the LRPMP Matrix, provides more information about each public trust property. A summary of the seven parcels follows:

- Five properties (#3, #5, #6, #8 and #12) are used for parking;
- Two properties (#9 and #10) provide pedestrian access and docks for the Baylink Ferry and are subject to the WETA Transfer Agreement documented earlier in this report;

D. SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY

An LRPMP Matrix is provided in **Attachment A** as a property data table describing the real property assets of the Successor Agency and any pertinent information that was available based on extensive records research. Over the years the City has had several different filing and records retention programs. Additionally, there have been extensive staff changes and office relocations. City Staff made every effort to find and research files to determine property history. Where available, the following information is provided:

- 1. Date of purchase, value of property (estimated) at time of purchase;
- 2. Purpose of the property acquisition;
- 3. Parcel data including address, size, zoning, General Plan and, if applicable, specific plan designations;
- 4. Estimate of the current value or appraised value;
- 5. Estimate of revenue generated from use of property and contractual requirements for disposition of those funds (e.g. lease, etc.);
- 6. Any history of environmental contamination and / or remediation;
- 7. Description of the property's potential for transit-oriented development and the advancement of the

planning objectives of the successor agency; and

8. Any previous development proposals, rental or lease agreements, other contracts.

E. DISPOSITION PLAN

The proposed Disposition Plan takes into consideration the variety of property types and circumstances outlined in the LRPMP Matrix and further described above. The intent of the Disposition Plan is to outline the current estimated value of the sites, the predevelopment process to position properties for sale, followed by the Request for Proposal disposition process. The Disposition Plan objective is to expeditiously implement the LRPMP by:

- Transferring to the City two (2) properties which are subject to enforceable obligations so that responsibility for management of those properties resides with the City rather than the Successor Agency, thereby reducing the obligations of the Successor Agency;
- Placing on the market six (6) properties identified for sale;
- Transferring to the City for future development eleven (11) properties that were identified for implementation of the City's and former Redevelopment Agency's redevelopment objectives, so that the City may solicit private developers to enter into one or more disposition and development agreements. The City will seek developers that can construct catalyst projects for downtown Vallejo that also implement City, regional and State objectives for transit-oriented development.
- Transferring seven (7) Public Trust properties to the City for future development subject to the requirements of the Public Trust recognizing these properties cannot be sold unless there is future legislative action terminating the Public Trust.
- Transferring to the City as governmental purpose four (4) properties for continued use as affordable housing. The City may later determine to transfer these housing assets to the Housing Authority for oversight.
- Transferring to the City for government use seven (7) Public Trust properties identified as public parking assets consistent with the change in Dissolution Law allowing public parking lots to be transferred for government use.

1. Estimated Value and Disposition of Proceeds for Identified Real Property Assets

Table 5 on the next page presents an estimated market value of the real property assets based on a preliminary review of real estate market conditions in the City of Vallejo. With the exception of the Southern Waterfront Parcels discussed below, the values in Table 5 have been obtained from reviewing recent sale transactions and preliminary discussions with commercial real estate brokers and appraisers. The information is intended to provide a general estimate of potential values, and is not intended to present appraised market value or broker's opinion of market value. Additionally, these values and the timing of sales could be affected by whether the parcels are bundled for larger property sales or sold individually. A determination as to whether to bundle parcels for development or sell them individually will be made based on the potential types of buyers in the market at the time of sale. In the case of the Southern Waterfront Parcels, the estimated value is based on information contained in an appraisal dated September 2008 for the Waterfront DDA. The appraisal was a fair market value appraisal completed at the onset of the recent recession. After 2008, property values declined significantly and have not yet recovered although since late 2013 the market has seen some upturn. Based on the 2008 appraisals, the slow market recovery since that time, and the limited number of recent transactions, we believe the values in Table 5 are reasonable. The Downtown Vallejo Specific Plan and Vallejo Waterfront Master Plan provide insight into the intended

uses for these properties and, along with the applicable zoning, will govern the future development of these properties. The underlying zoning was also considered during the market value assessment process.

Table 5 - Estimated Value of Real Estate Assets

Site	1 Day	Parcel Size	Current (As-If Clean)	Est. Value
Number	APN	Acreage	Value per Sq. Foot.	(As-If Clean)
	Category #1A – Properties Used to Fulfill En		ligations – Transferred in	
1	0055 170 360	.77	Public Ownership	NA
2	0055 170 520	5.14	Public Ownership	NA
	Categories #2A & 2B - Pro	perties Availa	ible for Sale	
14	0055 170 220	.12	\$6.00	\$31,200
15	0055 170 530	.25	\$6.00	\$65,526
18	0058 100 300 – RR Spur	.23	\$2.50	\$25,375
19	0058 100 320 – RR Spur	.07	\$2.50	\$7,898
20	0058 100 450 – RR Spur	.30	\$2.50	\$32,670
21	0058 100 130 – RR Spur	.45	\$2.50	\$49,005
	ategory #3A - Properties Retained by City fo			
22	0058 090 260 - Parcel S - Open Space	.17	\$.0	\$0
23	0058 090 270 – Parcel S	.59	\$5.00	\$129,390
24	0058 090 280 – Parcel S	1.78	\$5.00	\$387,680
25	0058 090 290 – Parcel S	.23	\$5.00	\$50,750
26	0058 090 300 – Parcel S street improvement	.15	\$.0	\$0
27	0058 090 310 - OS	.36	\$.0	\$0
28	0058 090 320 - Parcel T	.09	\$2.50	\$10,610
29	0058 090 330 – Parcel T	13.88	\$2.50	\$1,511,530
30	0058 090 340 – Parcel T	8.70	\$2.50	\$947,430
	Category #3B - Properties Retained by			
16	0055 160 170	2.31	\$6.00	\$603,738
17	0055 170 280	.74	\$6.00	\$194,700
	category #3C – Properties Retained by City f			
4	0055 160 410	5.23	Public Trust Lands	NA
7	0055 170 020	.70	Public Trust Lands	NA
11	0055 170 400	.49	Public Trust Lands	NA
13	0058 090 370	1.25	Public Trust Lands	NA
31 32	0055 090 350	14.05	Public Trust Lands	NA
32	0058 090 360 0058 090 380	2.22	Public Trust Lands Public Trust Lands	NA NA
33	Category #4A – Properties Retained by City	<u> </u>		
3	0055 160 360	.26	Public Trust Lands	NA
5		<u> </u>		
	0055 160 420	.28	Public Trust Lands	NA
6	0055 170 010	.61	Public Trust Lands	NA
8	0055 170 030	.60	Public Trust Lands	NA
9	0055 170 050	.80	Public Trust Lands	NA
10	0055 170 060	.39	Public Trust Lands	NA
12	0055 170 080	.53	Public Trust Lands	NA
	Category #4B - Properties Retained by C	ity for Goveri	nment Use – Housing Asso	ets
34	0072 044 100	SFD	NA	NA
35	0055 072 100	SFD	NA	NA
36	0055 073 040	SFD	NA	NA
37	0058 022 040	SFD	NA NA	NA NA
5,	0000 022 040	STD		·
			Total Value	\$4,045,502

The values in Table 5 assume the properties have no soil, ground water or other hazardous materials contamination, and that all required remediation work has been completed on the properties identified for sale. In fact, remediation work is taking place or being planned on most of the Southern Waterfront properties. While the cost of the future remediation work is not known at this time, this plan assumes that the properties are not marketable until the remediation work is complete and that contaminated land which has not been remediated has no or perhaps even negative value.

All utilities to the sites and all lot line adjustments and legal descriptions have been completed for the properties. Any existing leases are month-to-month, so no value has been assigned to the lease income. It is assumed the properties would be purchased for development and, therefore, their value is not based on the income stream from the existing leases. In addition to the remediation work, the known soil conditions on Parcels S and T (identified below) will require extensive soil stabilization to implement a multi-story development consistent with the land use plan for the site. A deduction of \$2.50 per square foot in the value has been applied in consideration of these development costs.

The properties that have State Lands Commission encumbrances have been identified as Public Trust lands with no value because they cannot be sold. Also, a value has not been assigned to the parking garage parcels because of the requirements for public ownership under existing enforceable obligations. Properties that have been planned as public open space or for public street use have been assigned no value as the continued use will be a condition of future development of the full site area; the estimated reuse value of the full site is reflected in the adjacent parcels in that development area.

2. Distribution of Proceeds from Real Property Asset Disposition

At this time it is not possible to anticipate the net proceeds from the sale of these properties. The above values represent an estimate based on properties with similar uses. Value deductions based on unknown toxic conditions, poor site configuration, access or easement constraints or other conditions of approval have <u>not</u> been taken into consideration. Projects along some of the Southern Waterfront properties are anticipated in the next 3 to 5 years when remediation work is completed. Other properties in the downtown near transit are likely to develop more quickly if the real estate market continues to rebound. Activities such as the Solano Corridor planning efforts, and recent reuse of vacant retail spaces, indicate the real estate market is beginning to rebound in Vallejo. This signals a positive increase in land value in the future that would also allow time to position properties for sale in the most advantageous manner and schedule.

For properties that are to be transferred to the City to fulfill existing enforceable obligations and/or to comply with applicable law upon approval of this plan by DOF, there will be no proceeds generated from the transfer. For properties that are sold by the Successor Agency, the proceeds received (net of the costs of sale) will be distributed to the applicable taxing entities in accordance with the provisions of AB 1484 upon receipt of proceeds by the Successor Agency.

For the properties to be conveyed to the City for future development, the City will enter into a compensation agreement with affected taxing entities in accordance with this paragraph. The Successor Agency interprets Health and Safety Code Section 34191.5 to mean that agreements with taxing entities are not required in connection with the disposition of Successor Agency property to the sponsoring city for governmental uses or for subsequent disposition for development consistent with redevelopment and community plans. However, according to Department of Finance, HSC section 34180 (f) requires the City to enter into a compensation agreement with the taxing entities for each parcel conveyed to the City for future development consistent with redevelopment and community plans pursuant to this Long Range Property Management Plan. Therefore, the City will enter into a compensation agreement with the other taxing entities for all properties transferred to the City for the purposes of future development. Notwithstanding

the foregoing, this paragraph will not be operative if a court order, legislation or Department of Finance policy reverses the Department's directive regarding such agreements.

3. Approach and Process for Disposition of Real Property Available for Sale

Those real property assets identified above as being available for sale would be marketed for sale as soon as possible, based on the pre-development assessment of readiness. The Successor Agency wishes to retain flexibility in the positioning and sale of the assets because of the very different market potential of each property. For example, four parcels are small railroad spurs which may have little or even negative value because of their configuration and existing hazardous materials contamination. It is the intent of the City and Successor Agency to complete necessary predevelopment activities to position the properties for eventual sale to realize their market potential. But this process will take time and funds to complete.

Staff still needs to prepare a preliminary budget to initiate the predevelopment activities listed below to better position the properties for successful disposition and development, and to enhance the potential market value of the properties. The budget will also need to include costs for marketing the properties or undertaking an RFP process. The decision of the Successor Agency and Oversight Board to undertake such pre-development and marketing activities would depend in part on the availability of funding and whether these related disposition costs would be allowed by the DOF as enforceable obligations under the ROPS.

a. Predevelopment Activities

There are a number of predevelopment activities that the Successor Agency, with approval of the Oversight Board, may or may not decide to undertake to position property for sale. These potential activities include:

- 1. Obtaining preliminary title reports to determine existing title conditions relevant for future development, such as easements or other encumbrances; and
- 2. Commissioning appraisal reports or broker opinions of value to determine potential market value of the properties prior to sale; and
- 3. Developing information regarding any public infrastructure and utility (water, sewer, drainage, etc.) limitations with respect to the parcels; and
- 4. Defining any steps that may be necessary before the parcels can be successfully marketed for sale.

b. Marketing and Outreach

For those parcels identified during the predevelopment process as being available for near term sale, the marketing and outreach program will depend on the characteristics of the specific parcels involved. Based on the size and characteristics of certain properties (e.g., the Railroad Spurs) it may be appropriate to list properties with a Broker or negotiate a purchase directly with an adjacent property owner.

For those sites with significant development potential based on the General Plan and zoning, the marketing effort would focus on attracting buyers who can implement high-quality development projects on those sites consistent with the City's zoning and plans. Marketing information for those sites may include a basic brochure that describes the characteristics of the site(s), City of Vallejo attributes, land use provisions, and any related information resulting from the predevelopment activities described above. Such a brochure would be distributed to real estate brokers, developers, and other identified companies, and advertised on real estate websites and in appropriate professional publications and local/regional newspapers. The Successor Agency may choose to engage in a more formal RFP process, depending on market interest in a particular site. Purchase offers would be reviewed by the Successor Agency staff with direction from the

Successor Agency and Oversight Boards.

For those parcels identified as being transferred to the City for future development, the City would likely engage in an RFP process for selection of developers who can implement development projects consistent with the City and former Redevelopment Agency's adopted plans for the site. With respect to the seven (7) properties subject to the Public Trust, any further development must be consistent with Public Trust requirements.

c. Sales Process

A general schedule for implementing Successor Agency sales is described below but would vary depending on the specific characteristics of each property.

	Activity
1.	Pre Development Activities
2.	Marketing Outreach Activities
3.	Offer Review Process
4.	Successor Agency - Oversight Board Direction
5.	Negotiation of Purchase and Sale Transaction pursuant to Successor Agency and Oversight Board Direction
6.	Drafting of Purchase and Sale Agreement
7.	Successor Agency and Oversight Board Approval of Purchase and Sale Agreement and Execution of Agreement
8.	Distribution of Net Proceeds of Sale to Taxing Entities

A schedule for disposition of each property cannot be estimated at this time, although it is the intent of the Successor Agency to dispose of properties as expeditiously as possible and in a manner that generates maximum value. The disposition schedule and phasing would be reviewed and approved by the Successor Agency and Oversight Board as additional information is available on these properties, and any legal constraints have been cleared.

HSC 34191.5(c)(1)(H)	History of previous or development proposals and activity	2 C None	None			None	Mone		Property is a railroad spur- with possible toxic issues. Is of value only to adjoining property owners or as future open space/trail.	same as above	same as above	same as above			Name and Address of the Owner, where	same as above	and the second	same as above	same as above	same as above	same as above
	Advancement of Planning objectives of the Successor Agency	Ferry Parking - Public Trust t	Ferry Parking - Public Trust Lands			Catalyst for Quality Downtown Development	Catalyst for Quality Downtown Development		None.	Nane	Hone	None		Atter Nemenation - Upen Space		After Remediation - Future TOD - Mixed Use Development	After Kernediation - FutureTOD - Mixed Use Development	After Remediation - Street Improvement	After Remediation - Open Space	After Remediation - Future TOD - Mixed Use Development	After Remediation - Fature TOD - Mixed Use Development
HSC 34191.5 (c) (1) (G)	Description of property's potential for transit oriented development	None	None				TOD - Adjacent to Solano Transit Terminal - combine sites		Моле	None	Чоне	None		Upen Space parket	OD - Office/Retail to reate access to jobs	TOD - Office/Retail to reate access to jobs	rol) - Office/Netail to create access to jobs	street improvement	Jpen Space parcel	OD - possible units 650 as art of develop plan on two djacent site	OD - possible units 650 as art of develop plan on two djacent site
HSC 34191.5 (c) (1)(F)	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	None	None				Vone - Phase 1 needed		Phase I needed	Phase 1 needed	hase I needed	Phase I needed			See Note #2 Below	See Note #2 Below	ee Note #2 Below	See Note #2 Below	See Note #2 Below	ee Note #2 Below	Fee Note #2 Below - Portion of Parcel adj to p Curtola/Mono is known to a his Hierbit Town Site
	Contractual requirements for use of income/revenue - Yes or No	RESO # 11-144 N.C Ferry Service Operations and Transfer Agreement Between City of Vallejo and WETA provides for 1,200 pasting spaces in the Parking Ganage for Ferry	Patrons. O&M cox paid by City. Yes RESO # 11.134 M.C Ferry Service Operations and Transfer Assessment Retween City of Video and WITA to Transfer	1.200 paking spaces in the Paking Garage for Ferry Patrons. O&M cost paid by City. Yes			90		9	On.	04	9				PG&E Lease Agreement during remediation work. Atmust sease on all properties totals \$45,600.00. Yes	PG&E Lease Agreement during remediation work. Annual Steace on all properties totals \$45,600.00. yes	968E Lusse Agreement during remediation work. Annual Sease on all properties totals \$45,600.0. Yes	96&E Lease Agreement during remediation work. Annual Sease on all properties totals \$45,600,00., Yes	198E Lease Agreement during remediation work. Annual Sease on all properties totals \$45,600.00. Yes	PoSSE Lease Agreement during remediation work. Animal Steam on all properties totals \$45,600.00. Yes
HSC 34191.5 (c) (1) (E)	Estimate of Income/Revenue	operating costs exceed	operating costs exceed			public plaza - no income - No no contractual obligation	short term parking no income - no contractual obligation		no income - no contractual obligation	contractual obligation	roontracual obligation	no income - no contractual obligation		Seb, book, ou		545,600,00	\$45,600.00	\$45,600.00	\$45,600.00	545,600.00	545,600.00
HSC34191.5 (c)(1)(D)	LIRPMP Estimate of Current Parcel Value or Capital Asset List Book Value	556, 106.60 - Book Value	386000 - Book Value		833		\$65,626.00 - estimate of current value		S.Es.375.00 - estimate of Ino income - no current value contractual obli	57,897,50 - estimate of current value	\$32,670.00 - estimate of current value	\$49,00.05- estimate of current value			5129, 390.00 - extimate of current value	\$387,680.00 - estimate of current value	\$50,750.00 - estimate of current value	59,528.00 - Book Value	\$22,429.00 - Book Value	\$10,610.00 - estimate of current value	\$1,511,530.00 - estimate of current value
SALE OF PROPERTY HSC 34191.5 (c)(1)(B)	Proposed Sale ed Date	None	None			TBD	TBD		TBD	780	TBD	TBD		2	TBD	TND	nt TBD	nt TBD	nt T8D	nt 780	78D
SALE OF P HSC 34191	Purpose for which property was acquired	ook Value Ferry Parking	Ferry Parking			Ped Plaza	Parking		Received as part of bankruptcy purchase	same as above	same as above	Same as above		Mixed Use Evertopment	Mixed Use Development	Mixed Use Development	Mixed Use Development	Mixed Use Development	Mixed Use Development	Mixed Use Divelopment	Mixed Use Development
1)(4)	Purchase Price - Reso # or Capital Asset List Book Value	\$56, 106.60 - Book Value	5386,000.00 - Book			8/24/1983 Deed Book Value - \$2, 904.00 Reference 83- 36557	Book Value - \$15,554.49		17-Jun-88 RDA Reso #88-18 Agency Purchase for \$2.4M for fee and cry lessebold from Faiser Steel Bankruptcy 4-18-1988 - Book Value - \$9,3957.00	Same as above - Book Value 53,099.00	Same as above - Book Value - \$12,819,00	17-Jun-88 Same as above - Book Value - \$19,229.00		KIDA Reso RSB-18 Agency Purchase for \$2,4M for tee and City Lessehold from Kaiser Steel Bankruptcy 4-18-1988. \$10,755.00 - Book Value	sany as above - 536,229,900 - Book Value	same as above . \$108,550.0 - Book Value	same as above - \$14,599.00 - Book Value	same as above - 59,528.00 - Book Value	same as above - \$22,429.00 - Book Value	same as above - 55,942.00 - Book Value	same as above - S846,457.00 - Book Value
HSC 34191.5(c) (1)(A)	Acquisition Date	1983 Deed reference 83- 36557 - Reso 10	Deed Reference S	10-001 & 10- 009		8/24/1983 Deed Reference 83- 36557	1983		17-Jun-88	17-Jun-88	17-Jun-88	17-Jun-88				6/17/1988 - Date Deed Recorded	6/17/1988	t 6/1//1988	6/17/1988	8861/21/9	6/17/1988
0(2)	() - Intended Use Detail	0.77 Central Waterfront MUPD Mined Usd Pared LS & L3 Public Transit and Public	2	Transit and Public Parking (1200 Space Garage) & Surface lot		Mixed Use - TOD	Mixed Use -TOD		Railroad Spur	Raitroad Spur	Railroad Spur	Railroad Spur	OPERTIES	Public Open Space	Portion of Parcel S - ev Office/Retail 7,100 sf	Portion of Parcel 5 ev Office/Retail 7,300 st	Portion of Parcel 5 - ev Office/Retail 7,100 sf	New or Modified Stree	Public Open Space	Parcel 11 - 650 ev Condominums over narion (small nortion)	Parcel T1 - 650 ev Condominums over parting
HSC 34191.5(c) (2)	Permissable Use (Specific Plan)	ont MUPD Maed	ont MUPD Mixed			nu es	use Planned Dev		Dev. Industrial	PDI Planned Dev. Industrial	PDI Planned Dev. Industrial	PDI Planned Dev. Industrial	WATERFRONT PR	Space Space		use Planned Dev	use Planned Dev	WUPD Mixed Use Planned Dev	MUPD Mixed Use Planned De	use Planned Dev	MUPD Mixed Use Planned Dev
HSC 34191.5 (c) (1)(c)	RES Current Zoning	0.77 Central Waterft	5.14 Central Waterfr			0.12 MUPD Mixed Use Planned Dev	0.25 MUPD Mixed Use Planned Dev		0.23 PDI Planned Dev. Industrial	0.07 PDI Planned Dev. Industrial	0.30 PDI Planned Dev. Industrial	0.45 PDI Planned Dev. Industrial	- FORMER SOUHERI	0.17 MUPD Mixed Use Planned Dev	0.59 MUPD Mised Use Planned Dev	1.78 MUPD Mixed Use Planned Dev	0.23 MUPD Mixed Use Planned Dev	0.15 MUPD Mixed Use Planned Dev	0.36 MUPD Mixed Use Planned Dev	0.09 MUPD Mixed Use Planned Dev	13.88 POI Planned Dev. Industrial
HSC 34	Address LOT AC	Valleyo Station, Mare	Vallejo Station, Mare	nd Way		H	ento - orgia Vest of	SPURS	lano Ave t by ment	solano Ave er St by reatment	n Solano Ave er St by reatment	Between Ryder and Southern Pacific RR	ALE AND DEVELOPMENT	So. Waterfront- Mare bland Way by former Brinkman's		So. Waterfront - Mare Island Way			So. Waterfront - Mare Island Way	So Waterfront - Off Curtola Parkway @	1121 Sonoma Blvd & 1 51 Mono St-So. Waterfront - Curtola
REVISED 12-09-2015- VALLEJO LRPMP MATRIX	Permisable Use Detail Or Capital Asset Permisable Use Permisable Use Detail Permisable Use Detail Or Capital Asset Or Capital Asset	Ferry Parking Garage Valle	Ferry Parking Garage Valid	ā			Parking lot adjacent to 410: transit termial Sout Street	CATEGORY #28 - AVAILABLE FOR SALE- RAILROAD SPURS	Raifroad Spur Betwand Wate	Railroad Spur Between and Ryd Water T Facility	Railroad Spur Between and Ryd Avter T Water T Excitive	0058 330 330 Railroad Sput Between Ryder and 0.45 POI Planned Dev. POI Planned Railroa Southern Pacific RR Industrial Dev. Industrial	ISFER TO CITY FOR FUTURE S	Public Sidewalk and So. vigit of way form	Parking 1.8.3 So. V Marr near	Parking So. V	Parking So. V Mare	Parking/Storage Lockers So. V Marr	Parking/Storage Lockers So. V	Vacant - part of former 50 W maunfacture gas plant Curte	Partially vacant former 1121 manufactured gas plan 51 M site; partially leased to Wutt
REVISED 12-09.	Property # APN	1 0055 170 360 F	2 0055 170 520		CATEGORY #2A - AVAIL	14 0055-170 220 Pp	15 0055 170 530 tr	CATEGORY #28 - AVAIL	18 005.8 100 300	19 0058 100 320 R	20 0058 100 450 R.	21 0058 110 130 R.	CATEGORY #3A - TRAN	22 0058 050 260 Pt	23 0058 090 270 P.	24 0058 090 280 Ps	25 0058 090 290 P	26 0058 090 300 Pt	27 0058 090 310 Pt	28 0058 090 320 V	29 0058 090 330 Pr

HSC 34191.5[c][1][H]	History of previous development proposals and activity	iame as above		etitement Agreement elated to DDA Termination approved by Oversight Board on 1:16-2014	same as above		None	None	Мопе	Моне	An Amended DDA was approved by the Oversight approved by the Oversight Board on 12-15-2013 which eleminates these pareeds from DDA. This pareel is a Public Trust Pareel and Public Trust Pareel and should be held for public use.	ame as above	None Transfer and American	Lance		None	None	None	None	None
	Advancement of Planning objectives of the Successor Agency	After Remodultion - Fature S TOD - Mixed Use Development		Downtown Transt Oriented Development	Downtown Transit Oriented S Dovelopment		Note 3 - Public Trust Lands N	Note 3 - Public Trust Lands N	Note 3 - Public Trust Lands N	Note 3 - Public Trust Land N	Mote 3 - Public Trust Land A	-	Note 3 - Public Trust Land N	Double Trace						Note 3 - Public Trust Lands N
HSC 34191.5 (c) (1) (G)	Description of property's potential for transit orlented development	TOD Office/Flex Space to create acces to jobs		TOD - close to Solano Transit and Ferry up to 242 units.	Transit - units TBD		None	Мопе	None	Mone	None	None	Mone		and an analysis	None	None	None	None	None
HSC 34191.5 (c) (1)(F)	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site	See Note #1 Below - Upper portion is T2 Post Office. Lower portion is Parcel T3 Rex Tech)		None - Phase 1 Needed	None - Phase 1 Needed		None	None - Phase I needed	None - Phase 1 needed	None - Phase 1 needed	See Note #1 Below - Southern 75% of parcel (Public Open Space & Parcel *11 Condo's)	See Note #1 Below & Note #3 - Parcel is slated for Public Open Space.	None - Phase I needed		MOTIC	None	None - Phase 1 needed	None - Phase 1 needed	None	None
	Contractual requirements for use of income/revenue - Yes or No	Southern - Waterfront DDA - a portron heaved to Tirol Capital Auction month-to-month base at \$7,630.00 and Human Society month-to-month leave at \$1.00 per month. Yes.		Trad DDA. Phase 1. Farret B. Fortion teased to Marina Tower Assoc for suiface paking (thur 2000) and paking in future structure which was to be developed under Trad DDA. Yes	92		Parcels 602 & 603 = \$1,200/yr until 2016 then increase to 6% of market value. Yes.	Frontroom Restaurant - Mare bland Ferry Co owns bidg, tease agreement with agency for 99 years commercing 8/16/19/20 to 8/8/2066, 53584/gr until 8/26/16. Then rent increase = to 6% of market valu. At end of lease bidg no Agency. Yes	[180] D. S. Li, C. W. M. Tamber, Agreement. Leuding and moving rights (are activities details office on same paties). Castor Agreement for 33 years with 15 year opinion. Option to extend reservoisedin 2009: Leave exper- table of the patient of the patient of the patient of 1031/2008 PVI.1.25/7.99.146/pr with CPI interasts. Ves.	trased to Mewett. Yes	Capital Auction is currently located on a perton of this pared, Yes	Capital Auction is currently located on a portion of this parcel. Yes	Leased to Newetl. Yes	1. 10. 11. 10. 10. 10. 10. 10. 10. 10. 1		Lease Agreement for seawall expansion space \$2,782.68 includes 3% cpi increase. Parcel 601 = \$6,534.07 - TOTAL RENT \$10,516.75 for FY 13-14. Yes	No	No	RESO #11-144 N.C WETA Transfer Agreement - landing and mooring rights. Yes	RESO #11-144 N.C - WETA Transfer Agreement - landing and mooring rights. Yes
HSC 34191.5 (c) (1) (E)	Estimate of Income/Revenue	591,580,00/yr Human Society		no income	no income - no contractual obligation		see above total rent	S3584 for FV13-1. Revenues go into restricted Fund 134	\$7,991.46 for FV11-12. Revenues go into restricted fund 134	\$5,764.84 for FV13.14 for both properties #13 & #33. Revenues go into restricted fund 134	591,560 for PV13-14 for both properties #31 and page Tiles #31. Revenues go into restricted fund 134	591,560 for FY13-14 for both properties #31 and #3. Revenues go into restricted Fund 134	\$5,764.84 for FY13-14 for both properties #13 & #3. Revenues go into restricted Fund 134		\$10,516.75 for FY 13-14. Revenues go into restricted Fund 134	see above total rent	Short term parking no income - no contractual obligation	-		
HSC34191.5 (c) (1) (D)		5947,430.00. estimate of current value		S603,738.00 - estimate of current value	5194,700.00 - estiamte of current value		321168 - Book Value	\$42,986.00 - Book Value	530,090.00 - Book Value	\$76,230.00 - Book Value	\$846,457.00 - Beok Value	\$23,054.00 - Book Value	576,230.00 - Book Value		15956 - Book Value	\$17,194.00 - Book Value	\$37,459.00 - Book Value	\$36,845.00 - Book Value Short term parking no income - no contractu: obligation	\$49,127.00 - Book Value	\$23, 494.00 - Book Value no rent income - no contractual obligation
10PERTY 5 (c)(1)(8)	7	1180		1f TBO	1t 18D		None	None	None	None	None	None	None		None	None	None	None	None	None
SALE OF PROPERTY HSC 34191.5 (c)(1)(8)	Purpose for which property was acquired	fixed Use Developme		Mixed Use Development	Mixed Use Development		Yacht Club	arking	ferry Service	Sanitiation District	Open Space	obeu Space	Sanitiation District		Yacht Club	Yacht Club	Parking	Parking	Ferry Service	Ferry Service
(c) (1)(A)	Purchase Price - Reso or Capital Asset List Book Value	988 same as above		12-Dec-01 Buok Value - 6 \$131,052.00	Book Value - \$54,528.00		5321,168.00 - Book Value	7/28/1966 Agency paid \$108,000 promote terms of a Court Settlement of a Lawsut. \$42,986,00 - Book Value	\$30,090.00 - Book Value F	\$76,230.00 - Book Value \$	RDA Reso #88-18 Agency Purchase for \$2.4M for the and Cryt Leasehold from Existe Steel Bankruptcy 4-18-1988 - \$346,457.00 - Book	S23,054,00 - Book Value	\$76,230.00 - Bouk Value 5		\$15,966.00 - Book Value Y		\$37,459.00 - Book Value P	\$36,845.00 - Book Value P	\$49,127.00 - Book Value F	\$23,949.00 - Book Value F
HSC 34191.5(c) (1)(A)	Detail c Acquisition Date				22: 24-Aug-83		unknown	21/82/6	anknown	an unknown.	6/17/1988	6/16/1988	on unknown		unknown	unknown	on unknown	n unknown	unknown	unknown
(2)	Permissable Use Detail	Nutro Mand Pered 13 - Her Tech Use Planned Dev 57,000 & Pared 12 - Post Office 40,500	IAD PARCELS	Cataylst Site Phase 1 Res-242 units, Comm/livework- 22,137sf	Catalyst Site Phase2: Res-69 units, Comm/fivework- 9 eepst	200	Public Park/OS	Public Bidg Use/Function	Public Bldg Use/Function	Public Use/Function	Public Open Space	Public Open Space	Public Use/Function		Public Park/OS	Public Park/OS	Public Use/Function	Public Use/Function	Public Park/OS	Public Park/OS
HSC 34191.5(c) (2)	Permissable Use P	MUPD Macd Use Planned De	MENT - FORMER TR	MUPD Mixed rv Use Planned Dev	Use Planned Dev	MENT - STATE LAND	CW Waterfront MUPD Mixed Shopping and Serv Use Planned Dev	use Planned Dev	MUPD Mixed Public Bidg.	POI Planned Dev. Industrial	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev	PDI Planned Dev. Industrial	properties	CW Waterfront MUPD Mixed Shopping and Serv Use Planned Dev Dist			Use Planned Dev	MUPD Mixed Use Planned Dev	MUPD Mixed Use Planned Dev
HSC 34191.5 (c) (1)(c)	LOT ACRES Current Zoning	8,70 POI Planined Dev. Industrial	CATEGORY #38 - PROPERTIES TO BE TRANSFERRED TO THE CITY FOR FUTURE SALE AND DEVELOPMENT - FORMER TRIAD PARCELS	2.31 CP Pedestrian Shopping and Serv Dis	0,74 MUPD Moved Use Planned Dev	CATEGORY #3C - PROPERTIES TO BE TRANSFERRED TO THE CITY FOR FUTURE SALE AND DEVELOPMENT - STATE LANDS	5.23 CW Waterfront Shopping and Se	0.70 MUPD Mixed Use Planned Dev	0.49 MUPD Mixed Use Planned Dev	1.25 PDI Planned Dev. Industrial	14.05 PDI Planned Dev.	0.37 PDI Planned Dev. Industrial	2.22 PDI Planned Dev. Industrial	CATEGORY #4A - PROPERTIES TRANSFERRED TO THE CITY FOR GOVERNMENT USE — State Lands Properties	0.26 CW Waterfront Shopping and Se Dist	0.28 CW Waterfront Shopping and Se Dist	0.61 MUPD Mixed Use Planned Dev	0.60 MUPD Mixed Use Planned Dev	0.80 MUPD Mixed Use Planned Dev	0.39 MUPD Mixed Use Planned Dev
	Address	Solane Ave - 50, 96, 100 & 1133 Sonoma Blvd - 50. Waterfront Sonoma Blvd and Solan Ave	RRED TO THE CITY FOR	Santa Clara and Capitol, adjacent to Marina Tower	SE Corner of Sacramento and York	RRED TO THE CITY FOR	485 Mare Island Way @ Capitol	Mare Isalnd Way @ Georgia	285 Mare Island Way - South of Ferry Landing	Solano Ave at Mare Island Strait	Waterfront from. Mare bland Way to Solano	So. Waterfront Shoreline	Solano Ave at Mare Island Strait	TO THE CITY FOR GOVE	Mare Island Way @ Capitol	Mare Island Way @ Capitol	Mare Isaind Way @ Georgia	Mare baind Way @ Georgia	Ferry Landing, Mare Island Way	Ferry Landing, Mare Island Way
REVISED 12-09-2015- VALLEJO LRPMP MATRIX	Current Land Use	A portion -teased to First Capitol Auction/Humane Society	ROPERTIES TO BE TRANSFE	Tower Parking Lot, 99 spaces	Parking - Former State Capitol Site before Bencia, 81 spaces	ROPERTIES TO BE TRANSFE.	Vallejo Yacht Glub	Restaurant and short- term parking for Waterfront, portion of 108 spaces	Manna Dental next to Ferry Landing Area	Leased to Klewett	Parking, open space, public access boat laurch - a portion leased to Capital Auction	a Portion leased to Capital Auction	Leased to Kiewett	ROPERTIES TRANSFERRED	Vallejo Yacht Club	Vallejo Yacht Club	Short-Term Parking for Waterfront, portion of	Short-Term Parking for 1 Waterfront, portion of 108 sources	and Docks	Public Sidewalk & Plaza - Ferry Landing, Mare Ferry Landing Area Bland Way
REVISED 12-	MA		CATEGORY #38 - PR	065 160 170	0055 170 280	CATEGORY #3C - PR	0055 160 410	0055 170 020	0055 170 400	0058 090 370	0058 090 350	098 060 9500	0028 090 380	CATEGORY #4A - PB	0055 160 360	0055 160 420	0055 170 010	0055 170 030	0055 170 050	10 0055 170 060
	Property #	30		16	77				Ħ	13	31	32	33		,"	и	9	80	6	10

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REV	I DONAD MANTRIX	,	10.7	HSC 34191 57 61 (11/1 c)	HSC 34191.5[c] [2]	121	HSC 34191.5(c) (1)[A)	11(A)	SALE OF PROPERTY HSC 34191.5 (c)(1)(B)		HSC34191.5 (c) (1) (D)	HSC 34191.5 (c) (1) (E)		HSC 34191.5 (c) (1)(F)	HSC 34191.5 (c) (1) (G)		HSC 34191.5(c)(1)(H)
	TANAL MATERIAL MATERI			To Wall for the control of the contr		ermissable Use Detail		Purchase Price - Reso or Capital Asset List Robit Value	Purpose for which	Proposed Sale	LRPMP Estimate of Current Parcel Value or Proposed Sale Capital Asset List Book Date	Estimate of Income/Revenue	Contractual requirements for use of income/revenue - Yes or No	History of environmental contamination, studies, and/or remediation, and designation as a brownfield site		Description of property's Advancement of Planning operatives of the Successor oriented development Agency	History of previous development proposals and activity
Property # APN 12 0055 170 080		r Waterfront		0.53 MUPD Mixed Us	ye MuPD Mixed Use Planned Dev	Public Use/Function		\$32, \$	erry Service	1	\$32,547.00 - Book Value	\$32,547.00 - Book Value no income short term parking - no contractual obligation	No	None - Phase 1 needed	None	Note 3 - Public Trust Lands	None
CATEGO	RY #48 - PROPERTIES TR.	ANSFERRED TO THE	AE CITY FOR GOVER	CATEGORY #48 - PROPERTIES TRANSFERRED TO THE CITY FOR GOVERNMENT USE - HOUSING ASSETS	SETS												
-			Confidential	kra	Housing	Housing	1988	\$128.000 Residential	esidential	none	\$128,000 - Book Value \$1.00/yr	\$1.00/yr	Leased to Safequest as a homeless Shelter. Yes	none	none	affordable housing	one
34 0072 044 100			Confidential	e con	Housing	Housing	1993	STATE OF THE PARTY	esidential	none	\$150,000 - Book Value	\$1.00/yr	Leased to Bi Bett as recovery program housing. Yes	none	none	affordable housing	none
35 0055 072 100	Z 100 Residential		Confidential	aus	Housing	Housing	1991		esidential	none	\$350,000 - Book Value	\$1.00/yr	leased to Bi Bett as recovery program housing. Yes	none	none	affordable housing	none
35 0055 073 040	I		Confidential	SUR	Housing	Housing	1994	SANTON DE LONGE	esidential	none	\$375,000 - Book Value	\$1.00/yr	Leased to Bi Bett as recovery program housing. Yes	none	none	affordable housing	none

RESOLUTION NO. 15-003

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO APPROVING A LONG-RANGE PROPERTY MANAGEMENT PLAN FOR THE DISPOSITION AND USE OF FORMER REDEVELOPMENT AGENCY PROPERTIES

WHEREAS, in accordance with the Redevelopment Dissolution Law (AB1x 26, enacted June 28, 2013, as amended by AB 1484, the City Council of the City of Vallejo ("City") elected and determined that the City should become the successor agency ("Successor Agency") to the former Redevelopment Agency of the City of Vallejo (the "Redevelopment Agency") commencing upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, the Dissolution Law requires the Successor Agency to expeditiously wind-down the affairs of the former Redevelopment Agency, as directed by the oversight board created pursuant to Section 34179 of the California Health and Safety Code ("Oversight Board"); and

WHEREAS, following the successful completion of certain statutory prerequisites, the Successor Agency received a Finding of Completion from the State of California Department of Finance ("Department of Finance") by letter dated October 16, 2013; and

WHEREAS, Health and Safety Code Section 34191.5(b) states that the Successor Agency shall prepare a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former Redevelopment Agency, which shall be submitted to the Oversight Board and the Department of Finance for approval no later than six months following the Issuance to the Successor Agency of the Finding of Completion; and

WHEREAS, Health and Safety Code Section 34191.5, subdivision (c)(1) sets forth the required contents of the Long-Range Property Management Plan and subdivision (c)(2) sets forth the permissible uses of the subject real properties; and

WHEREAS, the permissible uses include retention of properties for governmental use pursuant to Health and Safety Code Section 34181(a), retention of properties for future development, sale of properties and use of properties to fulfill an enforceable obligation; and

WHEREAS, Successor Agency staff in May 2014 prepared a Long-Range Property Management Plan (the "May 2014 Plan") in accordance with the requirements of Health and Safety Code Section 34191.5, and the Successor Agency Board and Oversight Board reviewed and considered the May 2014 Plan; and

WHEREAS, the State Department of Finance reviewed the May 2014 Plan and requested changes to it, which changes have now been incorporated into a Revised Long Range Property Management Plan dated June 17, 2015 (the "Revised LRPMP"); and

WHEREAS, the Revised LRPMP has been prepared in accordance with the requirements of Health and Safety Code, section 34191.5 and the Successor Agency and Oversight Board have reviewed and considered the Revised LRPMP; and

WHEREAS, once approved, the Revised LRPMP will allow the City to receive and retain properties to fulfill existing enforceable obligations pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, once approved, the Revised LRAPMP will allow the City to receive and retain properties for future development pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, once approved, the Revised LRPMP will allow the Successor Agency to proceed with the sale of various properties pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, the governing board of the Successor Agency has determined it is in the best interest of the Successor Agency to proceed with the disposition and use of former Redevelopment Agency properties pursuant to the Revised LRPMP; and

WHEREAS, the Oversight Board has determined that the nine properties known as the "Southern Waterfront" should be developed pursuant to prior redevelopment plans and transferred to the City to be held for development subject to appropriate compensation agreements for the reasons discussed in the staff report accompanying this resolution and reflected in Revised Long Range Property Management Plan; and

WHEREAS, the Oversight Board has determined it is in the best interest of the taxing entities to proceed with the disposition and use of former Redevelopment Agency properties pursuant to the Revised LRPMP.

NOW THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vallejo hereby resolves as follows:

- 1. The Revised Long-Range Property Management Plan attached to the Staff Report accompanying this Resolution is hereby approved.
- 2. Successor Agency staff is hereby authorized to make such minor, technical and clarifying revisions to the Long-Range Property Management Plan as are deemed necessary to carry out the purposes and intent of this Resolution and the Dissolution Law.
- 3. Successor Agency staff is hereby authorized and directed to transmit the approved Revised Long-Range Property Management Plan and this Resolution to the State Department of Finance for its final review and approval in accordance with the requirements of Health and Safety Code Section 34191.5.
- 4. Successor Agency staff is hereby authorized to convey property to the City of Vallejo pursuant to the approved Revised Long-Range Property Management Plan and to take all other actions as provided for and authorized by the approved Revised Long-Range Property Management Plan, including without limitation, the continued management of those properties designated for retention by the Successor Agency and the disposition of those properties designated for sale by the Successor Agency.
- 5. Successor Agency staff is hereby further authorized to take all actions necessary with respect to the implementation of the Revised Long-Range Property Management Plan consistent with this Resolution and its basic purposes.

Passed and adopted at a special meeting of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vallejo on June 25, 2015 by the following vote:

AYES:

Chair Hannigan, Vice Chair Taylor, Boardmembers Lea, McAffee and Truelsen

NOES: ABSTAIN: None None

ABSENT:

Boardmember Dew-Costa

Erin Hannigan, Chạir

ATTEST:

REVISED LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP): FORMER REDEVELOPMENT AGENCY-OWNED PROPERTIES CITY OF VALLEJO, CALIFORNIA

June 23, 2015

[Substantive changes from the May 2014 version shown in underline and strike through]

This Long Range Property Management Plan ("LRPMP") of the Successor Agency to the City of Vallejo's Redevelopment Agency ("Successor Agency"), has been prepared pursuant to California Health and Safety Code 34191.4(a) and 34191.5 (a). It sets forth the Successor Agency's strategy for the disposition of its real property assets as required by ABx1-26 which dissolved all California Redevelopment Agencies, and AB 1484 which made technical adjustments to ABx1-26 (collectively, the "Dissolution Act"). The LRPMP identifies the real property assets (e.g. land, buildings, etc.) and sets forth a strategy for the appropriate retention and disposition of such assets in accordance with the Dissolution Act. The LRPMP is organized into the following sections and attachments:

- A. Background
- B. Overview of Proposed Real Property Retention and Disposition
- C. Description of Intended Property Retention and Disposition
 - 1. Properties Used to Fulfill Enforceable Obligations
 - a. Properties Obligated for Regional Transit Agency Parking
 - b. Properties Obligated as Public Trust Lands
 - 2. Properties Available for Sale
 - a. Properties Adjacent to Bus Transit Center
 - b. Properties with Former Rail Spurs
 - c. Properties in the Southern Waterfront Area
 - 3. Properties Retained for Future Development
 - a. Properties in the Southern Waterfront
 - b. Properties Formerly part of Triad DDA
 - 4. Properties Retained by City for Governmental Use
 - a. Properties Used for Affordable Housing
- D. Summary of Properties Owned by the Successor Agency
- E. Disposition Plan
 - 1. Estimated Value of Properties
 - 2. Distribution of Proceeds
 - 3. Approach and Process for Disposition
 - a. Predevelopment Activities
 - b. Marketing and Outreach
 - c. Sales Process

A. BACKGROUND

The City of Vallejo's Redevelopment Agency ("Redevelopment Agency"), along with all other redevelopment agencies in the State of California, was dissolved on February 1, 2012 by ABx1-26 enacted by the legislature in late June 2011. The legislation established a Successor Agency to administer the wind-down of the former Redevelopment Agency's assets. The Successor Agency Board is composed of the members of the City Council. Also pursuant to the legislation, an Oversight Board was established to monitor and approve the Successor's Agency's efforts. The Oversight Board includes representatives of the taxing entities that share in property tax increment revenue generated in the former Project Areas of the Redevelopment Agency. Lastly, the legislation provides the State Department of Finance ("DOF") with the ultimate authority to approve most of the actions of the Successor Agency and Oversight Board.

AB 1484 (enacted June 27, 2012) made technical and substantive amendments to the Dissolution Act. Among those changes was a modification in how a successor agency could address the real property assets of the former redevelopment agency. Whereas under ABx1-26, successor agencies were expected to expeditiously dispose of former redevelopment agency property and make the proceeds available to taxing agencies, under AB 1484, as codified in Health and Safety Code section 34191.4(a) and 34191.5 (a), the Successor Agency must prepare a Long Range Property Management plan that sets forth a strategy for the appropriate retention and disposition of real property assets. A LRPMP is to be completed within six months of the successor agency receiving a "Finding of Completion" indicating that it has complied with the requirement for addressing non-real property assets and other procedural requirements. On October 16, 2013 (Attachment B-1), the Department of Finance provided a Finding of Completion notice to the Successor Agency triggering the six-month preparation time frame for this LRPMP.

In May 2014, the Successor Agency, City Council and Oversight Board approved an initial proposed LRPMP and forwarded it to DOF for its review. DOF provided direction on revisions to the initial LRPMP that have been incorporated into this Revised LRPMP. The revisions included the addition of one new Public Trust Lands parcel, acknowledgment that the two Vallejo Station Parking Garage structures have been approved for transfer by the State Controller's Office, incorporation of the book value into the LRPMP Matrix, and other minor technical changes. At the same time these changes were made, the category of the Southern Waterfront was changed from "available for sale" to "retention for future development" to ensure the completion of the toxic remediation work and implementation of a high quality development plan for the 43 acre site.

B. OVERVIEW OF PROPOSED REAL PROPERTY RETENTION AND DISPOSITION

Health & Safety Code Section 31419.5 provides that successor agencies receiving a Finding of Completion shall prepare a LRPMP. The LRPMP shall include an inventory of the successor agency's real property, including information as to its current use, permitted use (zoning), intended use, encumbrances, environmental constraints, and estimated value. The property information matrix attached as Attachment A includes all available information with respect to each property which information is further discussed in Section IV of this plan. Per the Dissolution Act, the LRPMP shall place each of the successor agency-owned real property assets into one of the following categories:

- 1. Use of property to fulfill an enforceable obligation
- 2. Available for sale
- 3. Retention for future development
- 4. Retention for government use

The Successor Agency through this LRPMP identifies thirty-seven (37) thirty two (32) properties in as follows:

- 1. <u>Sixteen (16) Fifteen (15)</u> properties to be used by the City to fulfill enforceable obligations.
- 2. Six (6) Fifteen (15) properties to be made available for sale by the Successor Agency.
- 3. <u>Eleven (11) Two (2)</u> properties to be retained by the City for future development consistent with the redevelopment plan.
- 4. Four (4) properties to be retained by the City for government use as public assets allowing the continued operations of shelter and recovery programs.
- 1. Properties Used to Fulfill Enforceable Obligations: In November 2014, the State Controller's Office (SCO) approved the transfer of two (2) properties that are the Vallejo Station Parking Garage that were originally transferred to the City of Vallejo in 2011 pursuant to the Waterfront DDA. The SCO's report is provided as Attachment B-2 and the recorded grant deeds transferring the parcels are provided as Attachment B-3. Documentation regarding two (2) properties is provided in Attachments B-2 and B-3 to support their designation as properties to be transferred to the City to fulfill an enforceable obligation. These two properties are subject to the City of Vallejo WETA Transfer Agreement for the construction and operation of a 1,200 space garage for ferry and transit public parking. Additionally, fourteen (14) thirteen (13) properties that are Public Trust Lands would be transferred to the City as their designated trustee. Several Public Trust properties proposed for transfer to the City also have leases or agreements (Attachment B-4) that would be considered enforceable obligations as described further below.
- 2. Properties For Sale: Two (2) properties adjacent to the Vallejo Transit Terminal and Vallejo Station Parking Garage would be available for sale. An additional four (4) properties that were former rail spurs would be available for sale. Nine (9) properties in the Southern Waterfront that were previously subject to the Waterfront Project Disposition and Development Agreement ("DDA") will also be available for sale as a result of a December 16, 2013 action of the Oversight Board approving an amendment to the Waterfront DDA that removed these properties from the DDA (Attachment B-5). The DOF approved the Amended Waterfront DDA on January 29, 2014 (Attachments B-6 and B-7).
- 3. Properties Retained by the City for Future Development: This LRPMP identifies eleven (11) two (2) properties to be transferred to the City for future development in accordance with the redevelopment plan of the former Redevelopment Agency. Nine (9) properties in the Southern Waterfront are designated "retention for future development". The Southern Waterfront properties were originally subject to a Waterfront DDA and a Vallejo Planned Waterfront Master Plan ("PDMP") which outlines a mixed used development program for this key property along the Vallejo waterfront including residential, commercial/industrial, and public infrastructure, park and open space. A detailed "scope of development" for the Southern Waterfront was included as Attachment No. 4 to the 3rd Amendment to the Waterfront DDA in 2007. Additionally, the Waterfront DDA had an adopted master plan for these properties to guide future development that would maximize their future value and a coordinated development plan. On December 16, 2013, the Oversight Board approved an amendment to the Waterfront DDA that removed these properties from the DDA (Attachment B-5). The DOF approved the Amended Waterfront DDA on January 29, 2014 (Attachments B-6 and B-7), thereby making them available for disposition to the City. These properties are subject to a PG&E Remediation Agreement that will delay the immediate sale of the properties. The intent is for these properties to be transferred by the Successor Agency to the City and, upon completion of remediation, for City to subsequently enter to into disposition and development agreement(s) with one or more qualified developers to ensure a high quality development plan for the entire site.

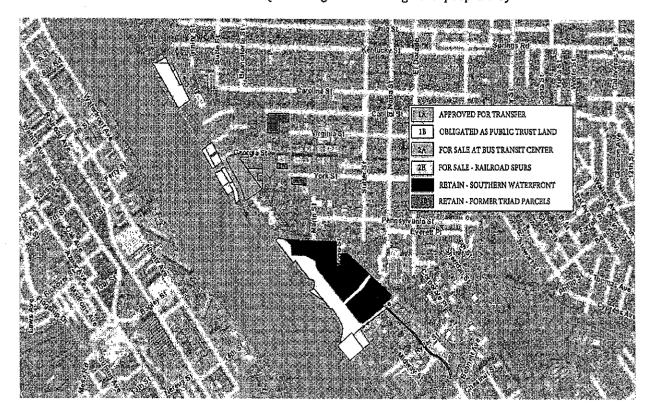
Two properties were subject to the former Triad Disposition and Development Agreement (DDA) which was terminated by the Agency and became the subject of litigation with Triad. At its meeting of January 31, 2014, the Oversight Board approved a Settlement Agreement which released these properties from the Triad DDA obligation (Attachment B-8). DOF approved this action by letter dated March 28, 2014 (Attachment B-11). One of these properties proposed for retention by the City has a lease that is an enforceable obligation (Attachment B-9), as described further in Section C.3 below.

- 4. Properties Retained by the City for Government Use: The Department of Finance directed the Successor Agency to add four (4) affordable housing properties to the LRPMP. In May 2014 both the Successor Agency and Oversight Board approved the transfer of four properties used as a homeless shelter and recovery program affordable housing to the Housing Authority. These properties were original purchased using low and moderate income housing funds. DOF directed that these properties should be added to the LRPMP. These properties will be transferred to the City of Vallejo for government use for affordable housing. It is anticipated that City would transfer these properties to the Housing Authority which is better positioned to ensure their long term use for affordable housing.
- * <u>Properties Previously Approved for Transfer by DOF</u>: Various properties have been previously approved by DOF for transfer to the City. Those previously approved transfers include the following:
 - a. Transfer of twelve (12) governmental use properties by the Successor Agency to the City pursuant to Successor Agency Resolution No. 13-003 and Oversight Board Resolution No. 13-2 to which DOF consented in a letter dated July 15, 2013. Copies of the Successor Agency and Oversight Board resolutions, and the DOF letter, are attached hereto as Attachment B-10. (Although the Oversight Board resolution refers to thirteen properties, upon further investigation staff determined the Redevelopment Agency never held title to one of those properties. The Successor Agency resolution correctly refers only to twelve properties.)
 - b. Transfer of two (2) parcels comprising the central waterfront properties (APN 0055 160 600 and APN 0055 160 610; also known as "Parcel J") that are the subject of the Fourth Amended Waterfront DDA discussed on page 9 below, which parcels were approved for transfer by the Successor Agency to the City by Successor Agency Resolution No. 13-005 and Oversight Board Resolution No. 13-9, and which DOF approved by letter dated January 29, 2014. Documentation can be found in Attachments B-6, B-7 and B-12. These parcels have now been transferred to the City of Vallejo and the grant deeds recorded with Solano County on March 6, 2015.

C. DESCRIPTION OF INTENDED PROPERTY RETENTION AND DISPOSITION

Exhibit A shows the location of all properties subject to the LRPMP. More detailed site maps for the properties are found in the Exhibits Section under Attachment C to the LRPMP and the description below will refer to those specific Exhibits.

EXHIBIT A: PROPERTIES OVERVIEW MAP (excluding the 4 housing asset properties)



1. Properties Used to Fulfill Enforceable Obligations

As noted above, several parcels of former Redevelopment Agency land have already been approved by DOF for transfer to the City and have been transferred, including parks and open space, and the parcels comprising the Central Waterfront - Parcel J site. This LRPMP addresses two other types of parcels subject to enforceable obligations: parcels used for regional ferry parking; and parcels subject to public trust limitations that prevent the properties from being sold. Each type of property is addressed in turn below. In 2013, DOF directed that the transfer of Property #1 and #2 to the City of Vallejo in 2011 be reversed and such properties returned to the Successor Agency because they had been transferred after the dissolution of Redevelopment. However, in November 2014, after the drafting and review of the LRPMP, the SCO issued a Finding and Order approving the transfer of these properties to the City of Vallejo. We have retained these two properties in the LRPMP to allow DOF to confirm the SCO's approval of the transfer of these two parcels to the City to fulfill enforceable obligations.

Table 1A - Two (2) Properties Obligated for Regional Transit Agency Parking

Property# APN	Location/Description	Current Use Lot Acres
	Vallejo Station, Mare R	egional Ferry Parking
0055.170.360	Island Way	Garage
STATE IS CONTROL OF THE WAY FROM THE	Vallejo Station, Mare	egional Perry Parking a last and a last and a
2 2 0055 170 520	Island Way 2012 18 18 18 18 18 18 18 18 18 18 18 18 18	Garage 5.14

A site map depicting the above properties is provided in Attachment C – Exhibit B.

Under the terms of the Waterfront DDA, the Redevelopment Agency was required to transfer the two properties noted in Table 1A (APN 0055-170-520 and APN 0055-170-360) to the City of Vallejo for construction of the Vallejo Station Parking Garage. These parcels were transferred to the City of Vallejo in September 2011.

In October 2000, the Redevelopment Agency entered into the Vallejo Waterfront Project Disposition and Development Agreement (Waterfront DDA) between Callahan/DeSilva Vallejo LLC (CDV LLC) and the former Redevelopment Agency. A Fourth Amended and Restated DDA (Amended DDA) was recently executed with Callahan Property Company as the Master Developer of certain waterfront properties. This DDA has been recognized by DOF as an enforceable obligation and, until the Amended DDA was approved earlier this year, up to \$60 million of funding obligations appeared on the Successor Agency ROPS related to the DDA.

On January 12, 2010, the Redevelopment Agency and the City of Vallejo approved the transfer of these two properties to allow the construction of the Vallejo Station Parking Garage by Resolution No. 10 009 N.C. and Resolution No. 10-001 (Attachment B-2). The City constructed the garage with a variety of grant and other funding sources that required the City to be the owner of the garage. However, the recording of the grant deed transferring the properties was delayed until September 20, 2011 to allow for preparation of final legal descriptions based on the completed parking garage footprint. The City approved the Transfer Agreement between the San Francisco Bay Area Water-Emergency Agency (WETA) and the City of Vallejo in October 2011 (Attachment B. 3. Resolution No. 11-144 N.C.). The Transfer Agreement requires the City to operate and maintain the parking garage and make the 1,200 parking spaces available to WETA for ferry-patron parking. Section-11.6 (b) of the Transfer Agreement specifically states "Upon Completion of Phase 1 of the parking garage: City shall continue to make available-sufficient parking (not to exceed 1,200 spaces) for ferry patrons based upon WETA's projected peak period ridership." The operations and maintenance costs will be funded by a parking revenue system. The Agency provided the land for the parking spaces and additional public funds were assembled through a series of grants for the construction of the public parking garage. Phase 1 of the Vallejo Station Parking Garage has been completed with approximately 700 parking spaces, and another 500 parking space are provided on an adjacent surface let. Phase 2 of the Vallejo Station Parking Garage will be completed following the relocation of a U. S. Post Office and identification of additional funding sources. Under the terms of the WETA Transfer Agreement, implementation of existing redevelopment-agreements and plans-may not-negatively impact WETA operations or provision of the public parking.

In a letter dated June 9, 2013, DOF directed the City and Successor Agency to reverse the transfer of these two properties transferred to the City in September 2011, and transfer them-back to the Successor Agency. The City and Successor Agency believe these asset transfers to the City were required because the properties are governed by enforceable obligations which preclude their sale to a third party or use for any purpose other than public parking. The transfer of these two properties occurred pursuant to the Waterfront DDA

and the Transfer Agreement to facilitate the construction and operation of the Vallejo Station Parking Garage providing 1,200 spaces of public parking for the Baylink Ferry service.

In addition to the restrictions imposed by the WETA Transfer Agreement, the Vallejo Station Parking Garage was constructed using Metropolitan Transportation Commission (MTC) RM2 Capital Project funds for construction which require that the facilities be used for public transportation. If they should cease to be operated or maintained for their intended public transportation use, MTC shall be entitled to a present day value refund or credit of the RM2 Capital Project funds. The Metropolitan Transportation Commission's Policies and Procedures for Regional Measure stipulate that RM2 capital projects have to be consistent or included in adopted Regional Transportation Plans and a Countywide Plan. Projects in such plans are considered public projects. The Vallejo Station Parking Garage was included in those plans and is therefore considered to a governmental use, public property.

In addition to the various enforceable obligations described above requiring the parking properties to be transferred to Gity and operated for public parking purposes, the properties have been developed and used as a public parking garage/intermodal transit center known as the Vallejo Station Parking Garage which is a governmental purpose (Health and Safety Code sections 34177(e) (3) and 34181(a)).

In sum, the Successor Agency legally transferred APN 0055-170-360 and 0055-170-520-to-the City pursuant to approved enforceable obligations for the construction and operation of a parking structure to provide public parking for Baylink Ferry service and, per the terms of the MTC funding sources, the asset cannot be transferred to a private operator or used for other than public transportation uses. Based on this information, the two parcels were permissibly transferred to the City. With the concurrence of DOF, a grant or quitolaim deed from Successor Agency to City will be recorded to memorialize the validity of City's fee ownership of these parcels.

Table 1B - Fourteen (14) Properties Obligated as Public Trust Lands

Property #	APN	Location/Description	Current Use	Acres
3	0055 160 360	Mare Island Way @ Capitol	Vallejo Yacht Club	0.26
4	0055 160 410	Mare Island Way @ Capitol	Vallejo Yacht Club	5.23
5	0055 160 420	Mare Island Way @ Capitol	Vallejo Yacht Club	0.28
6	0055 170 010	Mare Island Way @ Georgia	Short-Term Parking for Waterfront, portion of 108 spaces	0.61
7	0055 170 020	Mare Island Way @ Georgia	Restaurant and short-term parking for Waterfront, portion of 108 spaces (lease to 2066)	0.70
8	0055 170 030	Mare Island Way @ Georgia	Short term parking for Waterfront portion of 108 spaces	0.60
9	0055 170 050	Ferry Landing, Mare Island Way	Ferry Basin and Dock	0.80
10	0055 170 060	Ferry Landing Mare, Island Way	Public Sidewalk & Plaza Ferry Landing Area	0.39
11	0055 170 400	Mare Island Way, south of Ferry Landing	Marina Dental next to Ferry Landing Area (lease to 2024)	0.49
12	0055 170 080	Mare Island Way, south of Ferry Landing	Parking for Marina Dental 47 spaces	0.53

13	00 <u>58</u> 55170 370	Solano Ave at Mare Island Strait	Leased to Kiewit Companies	1.25
31	0058 090 350	Waterfront From Mare Island Way to Solano	Former Waterfront DDA parcel inc. public parking for boat launch & vacant unimproved waterfront	14.05
32	0058 090 360	Southern Waterfront shoreline	Public Sidewalk and Right of Way	0.37
<u>New 33</u>	0058 090 380	Solano Ave at Mare Island Strait	Leased to Kiewitt	2.22

The various public trust properties above are depicted in the site maps provided in Attachment C - Exhibits C, D, E, F, G, H and N.

The LRPMP provides that the properties listed above be retained by the City because they are Public Trust lands granted to the City for stewardship by the State of California under the supervision of the State Lands Commission. Public Trust lands are properties that are, or were at one time, tidelands, submerged lands or lands lying under inland navigable waters. Land that can be documented at one time to have been one of these types of property (and later filled in) is also subject to being considered Public Trust land. Public Trust lands are subject to certain use limitations and cannot be sold to private parties. Such properties can be leased to private parties for public trust purposes, but for no longer than 66 years. We have not been able to determine exactly when the former Redevelopment Agency acquired the Public Trust properties, but because these parcels have been and must continue to be used consistent with public trust purposes, the LRPMP provides for them to be transferred to the City as required by applicable law. Attachment B-4 includes maps provided by the State Lands Commission of properties granted to the City of Vallejo as Public Trust lands. Some of the properties have been leased to provide for public uses and public conveniences pursuant to Public Trust doctrine that allows leases not to exceed 66 years.

Attachment A, the LRPMP Matrix, provides more information about each public trust property. A summary of the <u>fourteen</u> parcels follows:

- Three properties (#3, #4 and #5) are subject to a lease with the Vallejo Yacht Club;
- Two parcels are used for public parking (#6 and #8);
- One property (#7) was the subject of a lawsuit and Court-mandated settlement agreement between the Redevelopment Agency and the property owner that outlined the terms of the Redevelopment purchase. Pursuant to the Court-mandated settlement agreement, the Redevelopment Agency paid \$108,000 for the restaurant property in 1966 and the property has an existing lease that extends to 2066, at which time the property will revert to the City;
- Two properties (#9 and #10) provide pedestrian access and docks for the Baylink Ferry and are subject to the WETA Transfer Agreement documented earlier in this report;
- One property (#11 and #12) is currently leased as a dental office with parking, which use will terminate when the lease expires in 2024;
- Two One properties (#13 and #33) APN 0058 090 370 and APN 0058 090 380 are located adjacent to the southern waterfront parcels and are partially used by Kiewett Infrastructure West. It is not known when or how the Redevelopment Agency acquired title to the properties. However, staff was able to determine that these are Public Trust properties and, therefore, must be held in trust by the City:
- One property (#31) APN 0058 090 350 The intended use is open space as it is adjacent to the waterfront, and it should be transferred to the City for public trust purposes.
- One property (#32) is partially submerged and is also Public Trust land.

2. Properties Available for Sale

Table 2A - Two (2) Properties for Sale ~ Adjacent to Bus Transit Center

Property# APN / Delication Le	cation/Description Current Use Acres
114 0055 170 220 So	fili of Georgia St. Pedestrian Plaza-adjacent to parking 12 est of Sacramento Tot and transit terminal
15. 0055 170 530 Soil We	th of Georgia St & Parking Lot adjacent to transit 25 st of Sacramento terminal

These properties above are depicted in the site map provided in Attachment C - Exhibit I.

The LRPMP proposes that the above two properties (#14 and #15) located adjacent to the Vallejo Bus Transit Center currently used as a public plaza and parking lot be prepared for sale. There are no enforceable obligations or other agreements that would delay the sale of these parcels. The proposed Disposition Plan objective is to sell these properties for private development consistent with the existing City of Vallejo General Plan, Downtown Specific Plan, and zoning ordinance land use designations.

Table 2B - Four (4) Properties for Sale - Railroad Spurs

Property# APN	Location/Description	Current Use	Acres
0058 100	Between Solano Ave and	A TOTAL CONTROL OF THE STATE OF	
18: 1: 300	Ryder Street by Water	Railroad Spur	× // 23
	Treatment Facility	表為 dis 高级性 No. 医乙基胂酚	We symm
0058 1 00	Between Solano Ave and		
196 from 3_{20}	Ryder Street by Water	Railroad Spurs	***************************************
nijarapalara sagasa (F. Tareburas) in	Treatment Facility	是是7000年,2000年中央大学的 对 图	
0058 100	Between Solano Ave and		
20 1 20 450 4 450	Ryder Street by Water (1994)	Railroad Spur	······································
	Treatment Facility		
21 0048 100	Between Ryder St and	Railroad Spur	ับร
	Southern Pacific RR		

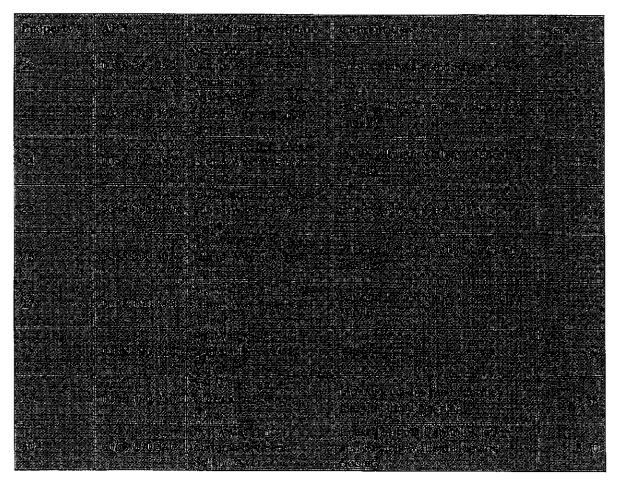
These properties above are depicted in the site maps provided in Attachment C - Exhibits L and M.

These four properties (#18, #19, #20 and #21) were acquired in 1988 when the former Redevelopment Agency purchased properties from Kaiser Steel as part of a bankruptcy settlement. The Corporation Grant Deed outlining the transfer of these properties is provided as Attachment B-5. The former Redevelopment Agency acquired a fee interest in 11 properties along with leasehold interests in 2 properties that Kaiser Steel had leased from the City of Vallejo.

The four railroad spur properties have suspected hazardous materials contamination and limited development potential because of their size and configuration. These parcels may have a negative value until such time as their hazardous materials contamination is known and a determination is made regarding the interest of adjacent property owners in acquiring the properties. Further investigation of these properties and their market potential is needed before these properties can be readied for sale, and the Disposition Plan envisions such further investigations. The only likely sale is to the adjacent property owner for incorporation into its properties.

1. Properties to be Retained by the City for Future Development

Table 3A - Nine (9) Properties to be Retained for Future Development for Sale~ Southern Waterfront



Site maps depicting the above properties are provided in Attachment C - Exhibits N, O and P. The nine properties above encompass a great portion of an area referred to as the "Southern Waterfront Area". They were acquired by the Redevelopment Agency in the same Kaiser Steel bankruptcy purchase mentioned earlier regarding the four rail spur properties. These nine properties have had several lot splits and lot mergers over the years to position them for future development.

Many of these properties have toxic contamination issues that prevent them from being placed on the market for sale immediately. A portion of the Southern Waterfront properties (Property #30 and a portion of Public Trust property #31), comprising 17 acres has undergone a toxics remediation program. A March 25, 2010 Target Site Investigation Study prepared for the Environmental Protection Agency determined that there was no contamination across the site above screening level but that remaining "hot spots of arsenic" require further investigation and possible remediation before development can occur. The Department of Toxic Substances Control ("DTSC") approved this report. The non-Public Trust portion of the 17-acre site could be ready for sale once certain pre-development activities are completed to determine market potential and value.

The remaining 26 acres of the Southern Waterfront property (Properties #22 - #29 and that portion of Public Trust Property #31 not included within the 17-acre site discussed above) are currently the subject of an environmental investigation. From 1872 to 1930, a manufactured gas plant was operated on the site. The history of site uses also includes landfilling, boat storage and maintenance, boat fueling and launching, ammunition depot barracks, auto junkyard, marine fabrication yard and creosote wood treatment area. Significant hazardous materials are located on this 26-acre site once owned by PG&E which has taken responsibility for cleanup of the site and as of April 2013, an environmental investigation and cleanup analysis was being conducted. DTSC will provide oversight of this work and will approve a future remediation plan. The environmental investigation report outlining the remediation program is expected in late 2014. In January 2015, DTSC approved the Vallejo MGP Site Characterization Report that defines the extent of historic residues in soil, soil gas, and groundwater. It is anticipated that DTSC will approve the Remedial Action Plan in 2016 and that site cleanup will begin in 2017 and be completed in 2019. The 26-acre site will not be available for sale or development until the remediation program has been implemented.

The LRPMP disposition plan for this 43-acre site is for it to be transferred to the City of Vallejo for future development at for it to remain in Successor Agency ownership until such time as it is remediated and can be sold for development consistent with applicable zoning and land use plans for the site. The original Waterfront DDA and the Vallejo Planned Waterfront Master Plan ("PDMP") contemplate a mixed used development program for this key property along the Vallejo waterfront including residential, commercial/industrial, and public infrastructure, park and open space. A detailed "scope of development" for the Southern Waterfront was included as Attachment No. 4 to the 3rd Amendment to the Waterfront DDA in 2007. The intent would be for the City to enter into a Disposition and Development Agreement with a qualified developer to ensure the quality of the ultimate development plan for the entire site.

Table 3B - Two (2) Properties to be Retained ~ Former Triad DDA



These two properties are depicted on the site maps provided in Attachment C - Exhibits J and K.

The LRPMP proposes that these two properties be retained by the City for future development consistent with the Redevelopment Plan of the former Redevelopment Agency. These two properties are critical to the City and former Redevelopment Agency's long established plans to revitalize the City's downtown area with transit oriented development. To further this objective, the City adopted a Downtown Specific Plan that encourages urban scale residential and mixed-use developments within a pedestrian and transit-oriented walkable downtown. The Downtown Specific Plan originally envisioned a fifteen to twenty year build out which included up to 2,283 residential units, and 591,700 square feet of commercial development and significant infrastructure investment. A series of Catalyst and Opportunity sites were identified as the most likely sites for redevelopment. The Downtown Specific Plan was complemented in 2007 by the Vallejo Waterfront Planned Development Master Plan ("PDMP"). It too called for mixed-use development and redevelopment of the waterfront and a portion of historic downtown. The Waterfront Master Plan included residential, commercial and open space and public improvements related to circulation and access along the waterfront and the City of Vallejo ferry service to San Francisco.

The latest Redevelopment Agency Implementation Plan, 2009-2014 was largely oriented toward implementing the Waterfront and Downtown Plans. Its objectives included:

- 1) Re-planning and redesigning, and development of areas that are stagnant or improperly utilized. Strengthening of retail and other commercial functions.
- 2) Strengthening of the economic base and the community by the installation of needed site improvements to attract and stimulate private investment, including expansion of residential, commercial, and light industrial uses, and social and economic growth, and consequently increase the tax yields to the community.
- 3) Providing adequate land for parking and open spaces.
- 4) Promoting increased cultural, social and recreational opportunities for the citizens of the community.
- 5) Establishing performance criteria to assure high site design standards and environmental quality and other design elements that provide unity and integrity to all the Merged Projects.

To implement the former Redevelopment Agency's and City's objectives for the Downtown Specific Plan area, the Redevelopment Agency entered into a Disposition and Development Agreement with Triad Development Company in 2007 ("Triad DDA"). Under the Triad DDA, Triad was given development rights to several parcels in Downtown, including two held by the Agency (Properties #16 and #17). In 2009, as a result of Triad's non-performance of its obligations under the Triad DDA, the Triad DDA was terminated by the Agency. On February 23, 2011, Triad brought an action entitled Triad Downtown Vallejo, LLC v. City of Vallejo, et.al. Case No. FCS037433 filed in the Solano County Superior Court (Action) against the former Redevelopment Agency and the City alleging that the Redevelopment Agency breached the Triad DDA and that the City breached the Development Agreement between City and Triad. Triad, City and the Successor Agency reached a Settlement Agreement related to this action. The Successor Agency and City Council in a joint session on January 14, 2014 approved the Settlement Agreement. The Oversight Board approved the Settlement Agreement on January 16, 2014 by Resolution No. 14 - 1 (Attachment B-8). DOF approved the Settlement Agreement terms in a letter dated March 28, 2014 (Attachment B-11). The settlement freed two critical parcels of land from the potential enforceable obligations associated with the Triad DDA that was the subject of the litigation. It also allowed the City and Successor Agency to explore new opportunities for maximizing the value of these properties for transitoriented development with another development partner.

The Successor Agency and the City of Vallejo intend to uphold the objectives and redevelopment vision outlined in the original Redevelopment Plan and merged project areas, the Five Year Implementation Plan 2009-2014, the Downtown Specific Plan and the PDPM during the implementation of the LRPMP. Properties #16 and #17 were identified as catalyst sites for development in the Downtown Specific Plan. These sites are within two blocks of the Vallejo Bus Transit Center, and three blocks of the Vallejo Ferry Terminal, and would be suitable for transit-oriented development. With the recent significant improvements in the housing and commercial development markets in the Bay Area, the underlying assumptions that led Triad and other developers to pursue development in downtown Vallejo are once again applicable. In order to ensure that development occurs consistent with the City and former Redevelopment Agency's long-held plans for the area, the LRPMP calls for the retention of properties #16 and #17 by the City. Future development of these properties with higher intensity residential and commercial uses through a disposition and development agreement will lead to greater property tax increment revenue to the taxing entities over the long term than an immediate sale to a buyer without an agreement in place to develop them.

Property #17 has no known encumbrances and is currently used for public parking. However, it should be noted that property #16 is encumbered by an existing lease agreement with the owners of the Marina Tower apartment complex related to the provision of parking. A lease for 45 parking spaces to serve the 155 unit

affordable housing complex was executed (Attachment B-9) in 1995 and runs until August 31, 2060 or as long as the Marina Tower is an affordable housing complex. Property #16 will be sold for development subject to the lease encumbrance requiring provision of these 45 parking spaces unless other arrangements are made. Both properties will continue to be used as public parking to benefit the downtown business district until such time as redevelopment opportunities are in place.

4. Properties to be Retained by the City for Government Use - Affordable Housing

Table 4 - Four (4) Properties Retained for Government Use as Shelter and Recovery Housing

Property #	APN	Location/Description	Current Use	Leased to
<u>New 34</u>	0072 044 100	341 Lamont Ct	Residential	Safeguest Shelter
<u>New 35</u>	<u>0055 072 100</u>	122 Louisiana	Residential	Bi-Bett Recovery
<u>New 36</u>	<u>0055 073 040</u>	126 Ohio	Residential	Bi Bett Recovery
<u>New 37</u>	0058 022 040	421-423 Pennsylvania	Residential	Bi Bett Recovery

The former Redevelopment Agency purchased these properties between 1988 and 1994. They have been leased to Safequest and Bi Bett as a shelter and as recovery program housing since acquisition. In May 2014, both the Successor Agency and Oversight Board approved the transfer of these four properties to the Housing Authority as housing successor agency. These properties were original purchased using low and moderate income housing funds. After reviewing this transfer request the DOF determined that these properties should be put on the LRPMP and initially transferred to the City of Vallejo as affordable housing properties. Consequently these residential properties were added to the LRPMP and will continue to be used for affordable housing. It is anticipated that City may subsequently transfer these affordable housing properties to the Housing Authority.

D. SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY

An LRPMP Matrix is provided in **Attachment A** as a property data table describing the real property assets of the Successor Agency and any pertinent information that was available based on extensive records research. Over the years the City has had several different filing and records retention programs. Additionally, there have been extensive staff changes and office relocations. City Staff made every effort to find and research files to determine property history. Where available, the following information is provided:

- 1. Date of purchase, value of property (estimated) at time of purchase;
- 2. Purpose of the property acquisition;
- 3. Parcel data including address, size, zoning, General Plan and, if applicable, specific plan designations;
- 4. Estimate of the current value or appraised value;
- 5. Estimate of revenue generated from use of property and contractual requirements for disposition of those funds (e.g. lease, etc.);
- 6. Any history of environmental contamination and / or remediation;
- 7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency; and
- 8. Any previous development proposals, rental or lease agreements, other contracts.

E. DISPOSITION PLAN

The proposed Disposition Plan takes into consideration the variety of property types and circumstances outlined in the LRPMP Matrix and further described above. The intent of the Disposition Plan is to outline the current estimated value of the sites, the predevelopment process to position properties for sale, followed by the Request for Proposal disposition process. The Disposition Plan objective is to expeditiously implement the LRPMP by:

- Transferring to the City <u>sixteen (16)</u> fifteen (15) properties which are subject to enforceable obligations so that responsibility for management of those properties resides with the City rather than the Successor Agency, thereby reducing the obligations of the Successor Agency;
- Placing on the market <u>six (6)</u> fifteen (15) properties identified for sale; and, in the case of contaminated properties, continuing to pursue remediation plans to make contaminated properties available for sale as soon as possible;
- Transferring to the City for future development <u>eleven (11)</u> two (2) properties that were identified for implementation of the City's and former Redevelopment Agency's redevelopment objectives, so that the City may solicit private developers to enter into one or more disposition and development agreements. The City will seek developers that can construct catalyst projects for downtown Vallejo that also implement City, regional and State objectives for transit-oriented development.
- Transferring to the City as governmental purpose assets four (4) properties for continued use as affordable housing. The City may later determine to transfer these housing assets to the Housing Authority for oversight.

1. Estimated Value and Disposition of Proceeds for Identified Real Property Assets

Table 5 below presents an estimated market value of the real property assets based on a preliminary review of real estate market conditions in the City of Vallejo. With the exception of the Southern Waterfront Parcels discussed below, the values in Table 4 have been obtained from reviewing recent sale transactions and preliminary discussions with commercial real estate brokers and appraisers. The information is intended to provide a general estimate of potential values, and is not intended to present appraised market value or broker's opinion of market value. Additionally, these values and the timing of sales could be affected by whether the parcels are bundled for larger property sales or sold individually. A determination as to whether to bundle parcels for development or sell them individually will be made based on the potential types of buyers in the market at the time of sale. In the case of the Southern Waterfront Parcels, the estimated value is based on information contained in an appraisal dated September 2008 for the Waterfront DDA. The appraisal was a fair market value appraisal completed at the onset of the recent recession. After 2008, property values declined significantly and have not yet recovered although since late 2013 the market has seen some upturn. Based on the 2008 appraisals, the slow market recovery since that time, and the limited number of recent transactions, we believe the values in Table 4 are reasonable. The Downtown Vallejo Specific Plan and Vallejo Waterfront Master Plan provide insight into the intended uses for these properties and, along with the applicable zoning, will govern the future development of these properties. The underlying zoning was also considered during the market value assessment process.

The values in Table 5 assume the properties have no soil, ground water or other hazardous materials contamination, and that all required remediation work has been completed on the properties identified for sale. In fact, remediation work is taking place or being planned on most of the Southern Waterfront properties. While the cost of the future remediation work is not known at this time, this plan assumes that the properties are not marketable until the remediation work is complete and that contaminated land which has not been remediated has no or perhaps even negative value.

Table $5-Estimated\ Value\ of\ Real\ Estate\ Assets$

Site	APN	Parcel Size	Current (As-If Clean)	Est. Value
Number	1.22.1	Acreage	Value per Sq. Foot.	(As-If Clean)
	#1A - Properties Used to Fulfi		Obligations - Transferred	
1	0055 170 360	.77	Public Ownership	. NA
2	0055 170 520	5.14	Public Ownership	NA NA
	#1B – Properties Used to Fulfil			IVE
3	0055 160 360	.26	Public Trust Lands	NA
4	0055 160 410	5.23	Public Trust Lands	NA NA
5	0055 160 420	.28	Public Trust Lands	NA
6	0055 170 010	.61	Public Trust Lands	NA.
7	0055 170 020	.70	Public Trust Lands	NA NA
8	0055 170 030	.60	Public Trust Lands	NA
9	0055 170 050	.80	Public Trust Lands	NA
10	0055 170 060	.39	Public Trust Lands	NA
11	0055 170 400	.49	Public Trust Lands	NA NA
12	0055 170 080	.53	Public Trust Lands	NA NA
13	0058 090 370	1,25	Public Trust Lands	NA
31	0055 090 350	14.05	Public Trust Lands	NA
32	0058 090 360	0.37	Public Trust Lands	NA
New 33	0058 090 380	2.22	Public Trust Lands	NA
	#2 - Properties Available for S			
14	0055 170 220	.12	\$6.00	\$31,200
15	0055 170 530	.25	\$6.00	\$65,526
18	0058 100 300 - RR Spur	.23	\$2,50	\$25,375
19	0058 100 320 - RR Spur	.07	\$2.50	\$7,898
20	0058 100 450 - RR Spur	.30	\$2.50	\$32,670
21	0058 100 130 - RR Spur	.45	\$2.50	\$49,005
Category	#3A – Properties to be Retaine	d by City for F		
22	0058 090 260 - Parcel S -	ĺ		
	Open Space	.17	\$.0	0
23	0058 090 270 - Parcel S	.59	\$5.00	\$129,390
24	0058 090 280 - Parcel S	1.78	\$5.00	\$387,680
25	0058 090 290 - Parcel S	.23	\$5.00	\$50,750
26	0058 090 300 - Parcel S			
	street improvement	.15	\$.0	l c
27	0058 090 310 - OS	.36	\$.0	Q
28	0058 090 320 - Parcel T	.09	\$2,50	\$10,610
29	0058 090 330 - Parcel T	13.88	\$2.50	\$1,511,530
30	0058 090 340 Parcel T	8.70	\$2.50	\$947,430
	#3 - Properties Retained by Ci	ty for Future D	evelopment - Triad	U2-114-00
16	0055 160 170	2.31	\$6.00	\$603,738
17	0055 170 280	.74	\$6.00	\$194,700
	#4 Properties Retained by Ci			WA2-19704
New 34	0072 044 100	SFD	NA NA	NA NA
New 35	0055 072 100	SFD	NA NA	NA NA
New 36	0055 073 040	SFD	NA NA	NA NA
New 37	0058 022 040	SFD	NA NA	NA NA
. 1011 07		1 22.10	1374	1172

All utilities to the sites and all lot line adjustments and legal descriptions have been completed for the properties. Any existing leases are month-to-month, so no value has been assigned to the lease income. It is assumed the properties would be purchased for development and, therefore, their value is not based on the income stream from the existing leases. In addition to the remediation work, the known soil conditions on Parcels S and T (identified below) will require extensive soil stabilization to implement a multi-story development consistent with the land use plan for the site. A deduction of \$2.50 per square foot in the value has been applied in consideration of these development costs.

The properties that have State Lands Commission encumbrances have been identified as Public Trust lands with no value because they cannot be sold. Also, a value has not been assigned to the parking garage parcels because of the requirements for public ownership under existing enforceable obligations. Properties that have been planned as public open space or for public street use have been assigned no value as the continued use will be a condition of future development of the full site area; the estimated reuse value of the full site is reflected in the adjacent parcels in that development area.

2. Distribution of Proceeds from Real Property Asset Disposition

At this time it is not possible to anticipate the net proceeds from the sale of these properties. The above values represent an estimate based on properties with similar uses. Value deductions based on unknown toxic conditions, poor site configuration, access or easement constraints or other conditions of approval have <u>not</u> been taken into consideration. Projects along some of the Southern Waterfront properties are anticipated in the next 3 to 5 years when remediation work is completed. Other properties in the downtown near transit are likely to develop more quickly if the real estate market continues to rebound. Activities such as the Solano Corridor planning efforts, and recent reuse of vacant retail spaces, indicate the real estate market is beginning to rebound in Vallejo. This signals a positive increase in land value in the future that would also allow time to position properties for sale in the most advantageous manner and schedule.

For properties that are to be transferred to the City to fulfill existing enforceable obligations and/or to comply with applicable law upon approval of this plan by DOF, there will be no proceeds generated from the transfer. For properties that are sold by the Successor Agency, the proceeds received (net of the costs of sale) will be distributed to the applicable taxing entities in accordance with the provisions of AB 1484 upon receipt of proceeds by the Successor Agency. For the eleven two properties to be retained by the City for future development consistent with the redevelopment plan, the City will enter into Compensation Agreements with the taxing entities prior to the sale of these properties, unless (i) the State Legislature further amends the Dissolution Legislation to provide that compensation agreements are not required by law, or (ii) a California State Court, in a case to which DOF is a party, issues a final judgment that is not subject to appeal determining that compensation agreements are not required under the Dissolution Legislation. If either (i) or (ii) in the preceding sentence occurs, the City will not be required to enter into compensation agreements with taxing entities.

3. Approach and Process for Disposition of Real Property Available for Sale

Those real property assets identified above as being available for sale would be marketed for sale as soon as possible, based on the pre-development assessment of readiness. The Successor Agency wishes to retain flexibility in the positioning and sale of the assets because of the very different market potential of each property. For example, four parcels are small railroad spurs which may have little or even negative value because of their configuration and existing hazardous materials contamination. Some properties are undergoing remediation which is nearly complete, while others will be subject to future remediation investigation and program development. It is the intent of the City and Successor Agency to complete necessary predevelopment activities to position the properties for eventual sale to realize their market potential. But this process will take time and funds to complete.

Staff still needs to prepare a preliminary budget to initiate the predevelopment activities listed below to better position the properties for successful disposition and development, and to enhance the potential market value of the properties. The budget will also need to include costs for marketing the properties or undertaking an RFP process. The decision of the Successor Agency and Oversight Board to undertake such pre-development and marketing activities would depend in part on the availability of funding and whether these related disposition costs would be allowed by the DOF as enforceable obligations under the ROPS.

a. Predevelopment Activities

There are a number of predevelopment activities that the Successor Agency, with approval of the Oversight Board, may or may not decide to undertake to position property for sale. These potential activities include:

- 1. Obtaining preliminary title reports to determine existing title conditions relevant for future development, such as easements or other encumbrances; and
- 2. Commissioning appraisal reports or broker opinions of value to determine potential market value of the properties prior to sale; and
- 3. Preparing Phase 1 and/or Phase 2 environmental site assessments and other assessments to determine the extent to which hazardous materials contamination is present on the sites; and
- 4. Developing information regarding any public infrastructure and utility (water, sewer, drainage, etc.) limitations with respect to the parcels; and
- 5. Defining any steps, such as cleanup of hazardous materials, that may be necessary before the parcels can be successfully marketed for sale.

b. Marketing and Outreach

For those parcels identified during the predevelopment process as being available for near term sale, the marketing and outreach program will depend on the characteristics of the specific parcels involved. Based on the size and characteristics of certain properties (e.g., the Railroad Spurs) it may be appropriate to list properties with a Broker or negotiate a purchase directly with an adjacent property owner.

For those sites with significant development potential based on the General Plan and zoning, the marketing effort would focus on attracting buyers who can implement high-quality development projects on those sites consistent with the City's zoning and plans. Marketing information for those sites may include a basic brochure that describes the characteristics of the site(s), City of Vallejo attributes, land use provisions, and any related information resulting from the predevelopment activities described above. Such a brochure would be distributed to real estate brokers, developers, and other identified companies, and advertised on real estate websites and in appropriate professional publications and local/regional newspapers. The Successor Agency may choose to engage in a more formal RFP process, depending on market interest in a particular site. Purchase offers would be reviewed by the Successor Agency staff with direction from the Successor Agency and Oversight Boards.

For those <u>eleven</u> two parcels identified as being transferred to the City for future development, the City would likely engage in an RFP process for selection of developers who can implement development projects consistent with the City and former Redevelopment Agency's adopted plans for the site.

c. Sales Process

A general schedule for implementing Successor Agency sales is described below but would vary depending on the specific characteristics of each property.

Activit	Y
1.	Pre Development Activities
2.	Marketing Outreach Activities
3.	Offer Review Process
4.	Successor Agency - Oversight Board Direction
5.	Negotiation of Purchase and Sale Transaction pursuant to Successor Agency and Oversight Board Direction
6.	Drafting of Purchase and Sale Agreement
7.	Successor Agency and Oversight Board Approval of Purchase and Sale Agreement and Execution of Agreement
8.	Distribution of Net Proceeds of Sale to Taxing Entities

A schedule for disposition of each property cannot be estimated at this time, although it is the intent of the Successor Agency to dispose of properties as expeditiously as possible and in a manner that generates maximum value. The disposition schedule and phasing would be reviewed and approved by the Successor Agency and Oversight Board as additional information is available on these properties, any legal constraints have been cleared, and the extent of hazardous materials contamination is known and/or remediation has been completed.

ATTACHMENTS

A – LRPMP MATRIX

B – BACKGROUND DOCUMENTS [NOTE ONLY THE TWO NEW EXHIBITS ARE INCLUDED IN THIS REDLINE]

- 1. October 16, 2013 Finding of Completion Letter from DOF
- 2. State Controller's Office Report November 2014
- 3. Conformed Copy of transfer Grant Deeds to the City of Vallejo

Parking Garage Transfer (APN #2s-0055-170-520 & 0055-170-360) Resolution No. 10-001 & Resolution No. 10-009

Gity of Vallejo - WETA Transfer Agreement Resolution No. 11-144

- 4. State Lands Commission Maps of Public Trust Lands
- 5. Corporation Grant Deed Southern Waterfront Parcels Kaiser Bankruptcy
- 6. Waterfront Amended DDA Oversight Board "D" Resolution No. 13 9
- 7. DOF Waterfront DDA Amendment Approval Letter dated January 29, 2014
- 8. Triad DDA Settlement Agreement Oversight Board D Resolution No. 14-1
- 9. Assignment of Lease Agreement Marina Tower Complex Doc #200500134041
- Successor Agency and Oversight Board Resolutions, and DOF Letter of July 15, 2013,
 Approving Transfer of 13 Governmental Use Properties to the City of Vallejo
- 11. DOF Triad Settlement Approval Letter dated March 28, 2014
- 12. Excerpt from Waterfront Amended DDA Re Conveyance of Parcel J

C —PARCEL MAP INDEX

Exhibit A - Overall Project Map

Exhibit B - Garage Parcels Properties 1 and 2

Exhibit C – Public Trust Lands Properties 3, 4, and 5

Exhibit D - Public Trust Lands Properties 6, 7, and 8

Exhibit E – Public Trust Lands Properties 9 and 10

Exhibit F – Public Trust Lands Properties 11 and 12

Exhibit G – Public Trust Lands Property 13 and 33

Exhibit H - Public Trust Lands Property 31 (No Exhibit H, see Exhibit P below)

Exhibit I - Properties 14 and 15

Exhibit J - Former Triad Property16

Exhibit K – Former Triad Property 17

Exhibit L - Railroad Spurs Properties 18, 19 and 20

Exhibit M - Railroad Spur Property 21

Exhibit N - Former Southern Waterfront DDA Properties 22, 25, 29 and 32

Exhibit O – Former Southern Waterfront 23, 26, 27, and 30

Exhibit P - Former Southern Waterfront 24, 28 and 31

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RESOLUTION NO. 14-005

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO APPROVING A LONG-RANGE PROPERTY MANAGEMENT PLAN FOR THE DISPOSITION AND USE OF FORMER REDEVELOPMENT AGENCY PROPERTIES

WHEREAS, in accordance with the Redevelopment Dissolution Law (AB1x 26, enacted June 28, 2013, as amended by AB 1484, the City Council of the City of Vallejo ("City") elected and determined that the City should become the successor agency ("Successor Agency") to the former Redevelopment Agency of the City of Vallejo (the "Redevelopment Agency") commencing upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, the Dissolution Law requires the Successor Agency to expeditiously wind-down the affairs of the former Redevelopment Agency, as directed by the oversight board created pursuant to Section 34179 of the California Health and Safety Code ("Oversight Board"); and

WHEREAS, following the successful completion of certain statutory prerequisites, the Successor Agency received a Finding of Completion from the State of California Department of Finance ("Department of Finance") by letter dated October 16, 2013; and

WHEREAS, Health and Safety Code Section 34191.5(b) states that the Successor Agency shall prepare a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former Redevelopment Agency, which shall be submitted to the Oversight Board and the Department of Finance for approval no later than six months following the issuance to the Successor Agency of the Finding of Completion; and

WHEREAS, Health and Safety Code Section 34191.5, subdivision (c)(1) sets forth the required contents of the Long-Range Property Management Plan and subdivision (c)(2) sets forth the permissible uses of the subject real properties; and

WHEREAS, the permissible uses include retention of properties for governmental use pursuant to Health and Safety Code Section 34181(a), retention of properties for future development, sale of properties and use of properties to fulfill an enforceable obligation; and

WHEREAS, Successor Agency staff have prepared a Long-Range Property Management Plan (the "Plan") in accordance with the requirements of Health and Safety Code Section 34191.5, and the Successor Agency Board and Oversight Board have reviewed and considered the Plan; and

WHEREAS, once approved, the Plan will allow the City to receive and retain properties to fulfill existing enforceable obligations pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, once approved, the Plan will allow the City to receive and retain properties for future development pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, once approved, the Plan will allow the Successor Agency to proceed with the sale of various properties pursuant to Health and Safety Code Section 34191.5(c)(2); and

WHEREAS, the governing board of the Successor Agency has determined it is in the best interest of the Successor Agency to proceed with the disposition and use of former Redevelopment Agency properties pursuant to the Plan; and

WHEREAS, the Oversight Board has determined it is in the best interest of the taxing entities to proceed with the disposition and use of former Redevelopment Agency properties pursuant to the Plan.

NOW THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vallejo hereby resolves as follows:

- 1. The Long-Range Property Management Plan attached to the Staff Report accompanying this Resolution is hereby approved.
- 2. Successor Agency staff is hereby authorized to make such minor, technical and clarifying revisions to the Long-Range Property Management Plan as are deemed necessary to carry out the purposes and intent of this Resolution and the Dissolution Law.
- 3. Successor Agency staff is hereby authorized and directed to transmit the approved Long-Range Property Management Plan and this Resolution to the State Department of Finance for review and approval in accordance with the requirements of Health and Safety Code Section 34191.5.
- 4. Successor Agency staff is hereby authorized to revise the submitted Long-Range Property Management Plan to reflect changes required as part of the Oversight Board and Department of Finance review and approval process.
- 5. Successor Agency staff is hereby authorized to convey property to the City of Vallejo pursuant to the approved Long-Range Property Management Plan and to take all other actions as provided for and authorized by the approved Long-Range Property Management Plan, including without limitation, the continued management of those properties designated for retention by the Successor Agency and the disposition of those properties designated for sale by the Successor Agency.
- 6. Successor Agency staff is hereby further authorized to take all actions necessary with respect to the implementation of the Long-Range Property Management Plan consistent with this Resolution and its basic purposes.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO ON MAY 15, 2014 BY THE FOLLOWING VOTE:

AYES:

Vice Chair Taylor, Boardmembers Dew-Costa, Lea and Truelsen

NOES:

None

ABSTAIN:

None

ABSENT:

Chair Hannigan, Boardmembers McAffee and Jordan

Annette Taylor, Vice Chai

ATTEST:

Dawn G. Abrahamson, Secretary

LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP): FORMER REDEVELOPMENT AGENCY-OWNED PROPERTIES CITY OF VALLEJO, CALIFORNIA

This Long Range Property Management Plan ("LRPMP") of the Successor Agency to the City of Vallejo's Redevelopment Agency ("Successor Agency"), has been prepared pursuant to California Health and Safety Code 34191.4(a) and 34191.5 (a). It sets forth the Successor Agency's strategy for the disposition of its real property assets as required by ABx1-26 which dissolved all California Redevelopment Agencies, and AB 1484 which made technical adjustments to ABx1-26 (collectively, the "Dissolution Act"). The LRPMP identifies the real property assets (e.g. land, buildings, etc.) and sets forth a strategy for the appropriate retention and disposition of such assets in accordance with the Dissolution Act. The LRPMP is organized into the following sections and attachments:

- A. Background
- B. Overview of Proposed Real Property Retention and Disposition
- C. Description of Intended Property Retention and Disposition
 - 1. Properties Used to Fulfill Enforceable Obligations
 - a. Properties Obligated for Regional Transit Agency Parking
 - b. Properties Obligated as Public Trust Lands
 - 2. Properties Available for Sale
 - a. Properties Adjacent to Bus Transit Center
 - b. Properties with Former Rail Spurs
 - c. Properties in the Southern Waterfront Area
 - 3. Properties Retained for Future Development
- D. Summary of Properties Owned by the Successor Agency
- E. Disposition Plan
 - 1. Estimated Value of Properties
 - 2. Distribution of Proceeds
 - 3. Approach and Process for Disposition
 - a. Predevelopment Activities
 - b. Marketing and Outreach
 - c. Sales Process

A. BACKGROUND

The City of Vallejo's Redevelopment Agency ("Redevelopment Agency"), along with all other redevelopment agencies in the State of California, was dissolved on February 1, 2012 by ABx1-26 enacted by the legislature in late June 2011. The legislation established a Successor Agency to administer

the wind-down of the former Redevelopment Agency's assets. The Successor Agency Board is composed of the members of the City Council. Also pursuant to the legislation, an Oversight Board was established to monitor and approve the Successor's Agency's efforts. The Oversight Board includes representatives of the taxing entities that share in property tax increment revenue generated in the former Project Areas of the Redevelopment Agency. Lastly, the legislation provides the State Department of Finance ("DOF") with the ultimate authority to approve most of the actions of the Successor Agency and Oversight Board.

AB 1484 (enacted June 27, 2012) made technical and substantive amendments to the Dissolution Act. Among those changes was a modification in how a successor agency could address the real property assets of the former redevelopment agency. Whereas under ABx1-26, successor agencies were expected to expeditiously dispose of former redevelopment agency property and make the proceeds available to taxing agencies, under AB 1484, as codified in Health and Safety Code section 34191.4(a) and 34191.5 (a), the Successor Agency must prepare a Long Range Property Management plan that sets forth a strategy for the appropriate retention and disposition of real property assets. A LRPMP is to be completed within six months of the successor agency receiving a "Finding of Completion" indicating that it has complied with the requirement for addressing non-real property assets and other procedural requirements. On October 16, 2013 (Attachment B-1), the Department of Finance provided a Finding of Completion notice to the Successor Agency triggering the six-month preparation time frame for this LRPMP.

B. OVERVIEW OF PROPOSED REAL PROPERTY RETENTION AND DISPOSITION

Health & Safety Code Section 31419.5 provides that successor agencies receiving a Finding of Completion shall prepare a LRPMP. The LRPMP shall include an inventory of the successor agency's real property, including information as to its current use, permitted use (zoning), intended use, encumbrances, environmental constraints, and estimated value. Attachment A provides a substantial amount of this information that is available for each property and is discussed in Section IV of this plan. Per the Dissolution Act, the LRPMP shall place each of the successor agency-owned real property assets into one of the following categories:

- 1. Use of property to fulfill an enforceable obligation
- 2. Available for sale
- 3. Retention for future development
- 4. Retention for government use

The Successor Agency through this LRPMP identifies thirty-two (32) properties in the above categories as follows:

- 1. Fifteen (15) properties to be used by the City to fulfill enforceable obligations.
- 2. Fifteen (15) properties to be made available for sale by the Successor Agency.
- 3. Two (2) properties to be retained by the City for future development consistent with the redevelopment plan.
- 4. None.

- 1. Properties Used to Fulfill Enforceable Obligations: Documentation regarding two (2) properties is provided in Attachments B-2 and B-3 to support their designation as properties to be transferred to the City to fulfill an enforceable obligation. These two properties are subject to the City of Vallejo WETA Transfer Agreement for the construction of a 1,200 space garage for ferry and transit public parking. Additionally, thirteen (13) properties that are Public Trust Lands would be transferred to the City as their designated trustee. Several Public Trust properties proposed for transfer to the City also have leases or agreements (Attachment B-4) that would be considered enforceable obligations as described further below.
- 2. Properties For Sale: Two (2) properties adjacent to the Vallejo Transit Terminal and Vallejo Station Parking Garage would be available for sale. Four (4) properties that were former rail spurs would be available for sale. Nine (9) properties in the Southern Waterfront that were previously subject to the Waterfront Project Disposition and Development Agreement ("DDA") will also be available for sale as a result of a December 16, 2013 action of the Oversight Board approving an amendment to the Waterfront DDA that removed these properties from the DDA (Attachment B-5). The DOF approved the Amended Waterfront DDA on January 29, 2014 (Attachments B-6 and B-7).
- 3. Properties Retained by the City for Future Development: This LRPMP identifies two (2) properties to be transferred to the City for future development in accordance with the redevelopment plan of the former Redevelopment Agency. These two properties were subject to the former Triad Disposition and Development Agreement (DDA) which was terminated by the Agency and became the subject of litigation with Triad. At its meeting of January 31, 2014, the Oversight Board approved a Settlement Agreement which released these properties from the Triad DDA obligation (Attachment B-8). DOF approved this action by letter dated March 28, 2014 (Attachment B-11). One of these properties proposed for retention by the City has a lease that is an enforceable obligation (Attachment B-9), as described further in report Section C.3 below.
- * <u>Properties Previously Approved for Transfer by DOF</u>: Various properties have been previously approved by DOF for transfer to the City. Those previously approved transfers include the following:
 - a. Transfer of twelve (12) governmental use properties by the Successor Agency to the City pursuant to Successor Agency Resolution No. 13-003 and Oversight Board Resolution No. 13-2 to which DOF consented in a letter dated July 15, 2013. Copies of the Successor Agency and Oversight Board resolutions, and the DOF letter, are attached hereto as Attachment B-10. (Although the Oversight Board resolution refers to thirteen properties, upon further investigation staff determined the Redevelopment Agency never held title to one of those properties. The Successor Agency resolution correctly refers only to twelve properties.)
 - b. Transfer of two (2) parcels comprising the central waterfront properties (APN 0055 160 600 and APN 0055 160 610; also known as "Parcel J") that are the subject of the Fourth Amended Waterfront DDA discussed on page 9 below, which parcels were approved for transfer by the Successor Agency to the City by Successor Agency Resolution No. 13-005 and Oversight Board Resolution No. 13-9, and which DOF approved by letter dated January 29, 2014. Documentation can be found in Attachments B-6, B-7 and B-12.

C. DESCRIPTION OF INTENDED PROPERTY RETENTION AND DISPOSITION

Exhibit A shows the location of all properties subject to the LRPMP. More detailed site maps for the properties are found in the Exhibits Section under Attachment C to the LRPMP and the description below will refer to those specific Exhibits.

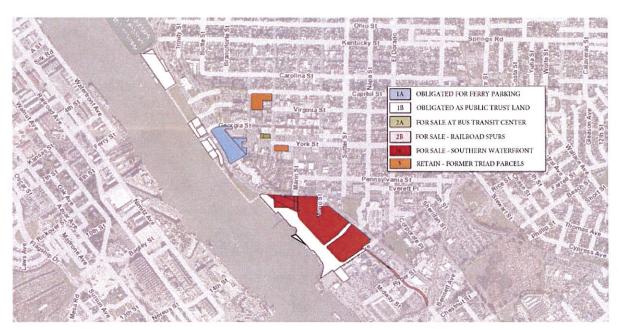


EXHIBIT A: PROPERTIES OVERVIEW MAP

1. Properties Used to Fulfill Enforceable Obligations

As noted above, several parcels of former Redevelopment Agency land have already been approved by DOF for transfer to the City and have been transferred, including parks and open space, and the parcels comprising the Central Waterfront site. This LRPMP addresses two other types of parcels subject to enforceable obligations: parcels used for regional ferry parking; and parcels subject to public trust limitations that prevent the properties from being sold. Each type of property is addressed in turn below.

Table 1A - Two (2) Properties Obligated for Regional Transit Agency Parking

Property #	APN	Location/Description	Current Use	Lot Acres
		Vallejo Station, Mare	Regional Ferry Parking	
1	0055 170 360	Island Way	Garage	.77
		Vallejo Station, Mare	Regional Ferry Parking	
2	0055 170 520	Island Way	Garage	5.14

A site map depicting the above properties is provided in Exhibit B under Attachment C.

In October 2000, the Redevelopment Agency entered into the Vallejo Waterfront Project Disposition and Development Agreement (Waterfront DDA) between Callahan/DeSilva Vallejo LLC (CDV LLC) and the former Redevelopment Agency. A Fourth Amended and Restated DDA (Amended DDA) was recently executed with Callahan Property Company as the Master Developer of certain waterfront properties. This DDA has been recognized by DOF as an enforceable obligation and, until the Amended DDA was approved earlier this year, up to \$60 million of funding obligations appeared on the Successor Agency ROPS related to the DDA. Under the terms of the DDA, the Redevelopment Agency was required to transfer the two properties noted in Table 1 (APN 0055-170-520 and APN 0055-170-360) to the City of Vallejo for construction of the Vallejo Station Parking Garage.

On January 12, 2010, the Redevelopment Agency and the City of Vallejo approved the transfer of these two properties to allow the construction of the Vallejo Station Parking Garage by Resolution No. 10-009 N.C. and Resolution No. 10-001 (Attachment B-2). The City constructed the garage with a variety of grant and other funding sources that required the City to be the owner of the garage. However, the recording of the grant deed transferring the properties was delayed until September 20, 2011 to allow for preparation of final legal descriptions based on the completed parking garage footprint. The City approved the Transfer Agreement between the San Francisco Bay Area Water Emergency Agency (WETA) and the City of Vallejo in October 2011 (Attachment B-3 - Resolution No. 11-144 N.C.). The Transfer Agreement requires the City to operate and maintain the parking garage and make the 1,200 parking spaces available to WETA for ferry patron parking. Section 11.6 (b) of the Transfer Agreement specifically states "Upon Completion of Phase 1 of the parking garage: City shall continue to make available sufficient parking (not to exceed 1,200 spaces) for ferry patrons based upon WETA's projected peak period ridership." The operations and maintenance costs will be funded by a parking revenue system. The Agency provided the land for the parking spaces and additional public funds were assembled through a series of grants for the construction of the public parking garage. Phase 1 of the Vallejo Station Parking Garage has been completed with approximately 700 parking spaces, and another 500 parking space are provided on an adjacent surface lot. Phase 2 of the Vallejo Station Parking Garage will be completed following the relocation of a U. S. Post Office and identification of additional funding sources. Under the terms of the WETA Transfer Agreement, implementation of existing redevelopment agreements and plans may not negatively impact WETA operations or provision of the public parking.

In a letter dated June 9, 2013, DOF directed the City and Successor Agency to reverse the transfer of these two properties transferred to the City in September 2011, and transfer them back to the Successor Agency. The City and Successor Agency believe these asset transfers to the City were required because the properties are governed by enforceable obligations which preclude their sale to a third party or use for any purpose other than public parking. The transfer of these two properties occurred pursuant to the Waterfront DDA and the Transfer Agreement to facilitate the construction and operation of the Vallejo Station Parking Garage providing 1,200 spaces of public parking for the Baylink Ferry service.

In addition to the restrictions imposed by the WETA Transfer Agreement, the Vallejo Station Parking Garage was constructed using Metropolitan Transportation Commission (MTC) RM2 Capital Project funds for construction which require that the facilities be used for public transportation. If they should cease to be operated or maintained for their intended public transportation use, MTC shall be entitled to a present day value refund or credit of the RM2 Capital Project funds. The Metropolitan Transportation Commission's Policies and Procedures for Regional Measure stipulate that RM2 capital projects have to be consistent or included in adopted Regional Transportation Plans and a Countywide Plan. Projects in such plans are considered public projects. The Vallejo Station Parking Garage was included in those plans and is therefore considered to a governmental use, public property.

In addition to the various enforceable obligations described above requiring the parking properties to be transferred to City and operated for public parking purposes, the properties have been developed and used

as a public parking garage/intermodal transit center known as the Vallejo Station Parking Garage which is a governmental purpose (Health and Safety Code sections 34177(e) (3) and 34181(a)).

In sum, the Successor Agency legally transferred APN 0055-170-360 and 0055-170-520 to the City pursuant to approved enforceable obligations for the construction and operation of a parking structure to provide public parking for Baylink Ferry service and, per the terms of the MTC funding sources, the asset cannot be transferred to a private operator or used for other than public transportation uses. Based on this information, the two parcels were permissibly transferred to the City. With the concurrence of DOF, a grant or quitclaim deed from Successor Agency to City will be recorded to memorialize the validity of City's fee ownership of these parcels.

Table 1B - Thirteen (13) Properties Obligated as Public Trust Lands

Property #	APN	Location/Description	Current Use	Acres
3	0055 160 360	Mare Island Way @ Capitol	Vallejo Yacht Club	0.26
4	0055 160 410	Mare Island Way @ Capitol	Vallejo Yacht Club	5.23
5	0055 160 420	Mare Island Way @ Capitol	Vallejo Yacht Club	0.28
6	0055 170 010	Mare Island Way @ Georgia	Short-Term Parking for Waterfront, portion of 108 spaces	0.61
7	0055 170 020	Mare Island Way @ Georgia	Restaurant and short-term parking for Waterfront, portion of 108 spaces (lease to 2066)	0.70
8	0055 170 030	Mare Island Way @ Short term parking for Waterfront		0.60
9	0055 170 050	Ferry Landing, Mare Island Way Ferry Basin and Dock		0.80
10	0055 170 060	Ferry Landing Mare, Island Way	Public Sidewalk & Plaza Ferry Landing Area	0.39
11	0055 170 400	Mare Island Way south Marina Dental next to Ferry		0.49
12	0055 170 080	Mara Island Way, south Parking for Marina Dental 47		0.53
13	0055 170 370	Solano Ave at Mare Island Strait	Leased to Kiewit Companies	1.25
31	0058 090350	Waterfront From Mare Island Way to Solano	Public parking for boat launch and vacant unimproved waterfront	14.05
32	0058 090 360	So. Waterfront shoreline	Partially submerged waterfront shoreline	0.37

The various public trust properties above are depicted in the site maps provided in Attachment C - Exhibits C, D, E, F, G, H and N.

The LRPMP proposes that the properties listed above be retained by the City because they are Public Trust lands granted to the City for stewardship by the State of California under the supervision of the State Lands Commission. Public Trust lands are properties that are, or were at one time, tidelands,

submerged lands or lands lying under inland navigable waters. Land that can be documented at one time to have been one of these types of property (and later filled in) is also subject to being considered Public Trust lands. Public Trust lands are subject to certain use limitations and cannot be sold to private parties. Such properties can be leased to private parties for public trust purposes, but for no longer than 66 years. We have not been able to determine exactly when the former Redevelopment Agency acquired the Public Trust properties, but because these parcels have been and must continue to be used consistent with public trust purposes, the LRPMP provides for them to be transferred to the City as required by applicable law. Attachment B-4 includes maps provided by the State Lands Commission of properties granted to the City of Vallejo as Public Trust lands. Some of the properties have been leased pursuant to Public Trust doctrine that allows leases not to exceed 66 years to provide for public uses and public conveniences.

Attachment A, the LRPMP Matrix, provides more information about each public trust property. A summary of the thirteen parcels is as follows:

- Three properties (#3, #4 and #5) are subject to a lease with the Vallejo Yacht Club;
- Two parcels are used for public parking (#6 and #8);
- One property (#7) was the subject of a lawsuit and Court-mandated settlement agreement between the Redevelopment Agency and the property owner that outlined the terms of the Redevelopment purchase. Pursuant to the Court-mandated settlement agreement, the Redevelopment Agency paid \$108,000 for the restaurant property in 1966 and the property has an existing lease that extends to 2066, at which time the property will revert to the City;
- Two properties (#9 and #10) provide pedestrian access and docks for the Baylink Ferry and are subject to the WETA Transfer Agreement documented earlier in this report;
- One property (#11 and #12) is currently leased as a dental office with parking, which use will terminate when the lease expires in 2024;
- One property (#13) APN 0058 090 370 is located adjacent to the southern waterfront parcels and is partially used by the Vallejo Sanitation District. It is not known when or how the Redevelopment Agency acquired title to the property, or when the Vallejo Sanitation District commenced use of the property. However, staff was able to determine that this is Public Trust property and, therefore, must be held in trust by the City;
- One property (#31) APN 0058 090 350 The intended use is open space as it is adjacent to the waterfront, and it should be transferred to the City for public trust purposes.
- One property (#32) is partially submerged and is also Public Trust land.

2. Properties Available for Sale

Table 2A – Two (2) Properties for Sale ~ Adjacent to Bus Transit Center

Property #	APN	Location/Description	Current Use	Acres
14	0055 170 220	South of Georgia St and West of Sacramento	Pedestrian Plaza-adjacent to parking lot and transit terminal	.12
15	0055 170 530	South of Georgia St and West of Sacramento	Parking Lot adjacent to transit terminal	.25

These properties above are depicted in the site map provided in Attachment C - Exhibit I.

The LRPMP proposes that the above two properties (#14 and #15) located adjacent to the Vallejo Bus

Transit Center currently used as a public plaza and parking lot be prepared for sale. There are no enforceable obligations or other agreements that would delay the sale of these parcels. The proposed Disposition Plan objective is to sell these properties for private development consistent with the existing City of Vallejo General Plan, Downtown Specific Plan, and zoning ordinance land use designations.

Table 2B - Four (4) Properties for Sale - Railroad Spurs

Property #	APN	Location/Description	Current Use	Acres
18	0058 100 300	Between Solano Ave and Ryder Street by Water Treatment Facility	Railroad Spur	.23
19	0058 100 320	Between Solano Ave and Ryder Street by Water Treatment Facility	Railroad Spur	.07
20	0058 100 450	Between Solano Ave and Ryder Street by Water Treatment Facility	Railroad Spur	.30
21	0048 100 130	Between Ryder St and Southern Pacific RR	Railroad Spur	.45

These properties above are depicted in the site maps provided in Attachment C - Exhibits L and M.

These four properties (#18, #19, #20 and #21) were acquired in 1988 when the former Redevelopment Agency purchased properties from Kaiser Steel as part of a bankruptcy settlement. The Corporation Grant Deed outlining the transfer of these properties is provided as Attachment B-5. The former Redevelopment Agency acquired a fee interest in 11 properties along with leasehold interests in 2 properties that Kaiser Steel had leased from the City of Vallejo.

The four railroad spur properties have suspected hazardous materials contamination and limited development potential because of their size and configuration. These parcels may have a negative value until such time as their hazardous materials contamination is known and a determination is made regarding the interest of adjacent property owners in acquiring the properties. Further investigation of these properties and their market potential is needed before these properties can be readied for sale, and the Disposition Plan envisions such further investigations. The only likely sale is to the adjacent property owner.

Table 2C - Nine (9) Properties for Sale ~ Southern Waterfront

Property #	APN	Location/Description	Current Use	Acres
22	0058 090 260	So. Waterfront – Mare Island Way by former Brinkman's	Public Sidewalk and Right of Way	.17
23	0058 090 270	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	.59

24	0058 090 280	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	1.78
25	0058 090 290	So. Waterfront – Mare Island Way near boat launch	Public Sidewalk and Right of Way	.23
26	0058 090 300	So. Waterfront – Mare Island Way near boat launch	Parking Lot for Vallejo Launching Facility	.15
27	0058 090 310	So. Waterfront – Mare Island Way near boat launch	Parking lot for Vallejo Launching Facility	.36
28	0058 090 320	So. Waterfront – Off Curtola Parkway @ Maine St.	Vacant	.09
29	0058 090 330	So. Waterfront – Curtola and Sonoma Blvd (Big Bay Storage)	Includes vacant site of former manufactured gas plant and area leased for RV, vehicle and container storage	13.88
30	0058 090 340	So. Waterfront – Sonoma Blvd and Solano Ave	Leased to First Capitol Auction and Benicia-Vallejo Humane Society	8.70

Site maps depicting the above properties are provided in Attachment C - Exhibits N, O and P.

The nine properties above encompass a great portion of an area referred to as the "Southern Waterfront Area". They were acquired by the Redevelopment Agency in the same Kaiser Steel bankruptcy purchase mentioned earlier regarding the four rail spur properties. These nine properties have had several lot splits and lot mergers over the years to position them for future development.

Many of these properties have toxic contamination issues that prevent them from being placed on the market for sale immediately. A portion of the Southern Waterfront properties (Property #30 and a portion of Public Trust property #31), comprising 17 acres has undergone a toxics remediation program. A March 25, 2010 Target Site Investigation Study prepared for the Environmental Protection Agency determined that there was no contamination across the site above screening level but that there remained "hot spots of arsenic" that require further investigation and possible remediation before development can occur. The Department of Toxic Substances Control ("DTSC") approved this report. The non-Public Trust portion of the 17-acre site could be ready for sale once certain pre-development activities are completed to determine market potential and value.

The remaining 26 acres of Southern Waterfront property (Properties #22 - #29 and that portion of Public Trust Property #31 not included within the 17-acre site discussed above) are currently the subject of an environmental investigation. From 1872 to 1930, a manufactured gas plant was operated on the site. The history of site uses also includes landfilling, boat storage and maintenance, boat fueling and launching, ammunition depot barracks, auto junkyard, marine fabrication yard and creosote wood treatment area. Significant hazardous materials are located on this 26-acre site once owned by PG&E which has taken responsibility for cleanup of the site and as of April 2013, an environmental investigation and cleanup analysis was being conducted. DTSC will provide oversight of this work and will approve a future remediation plan. The environmental investigation report outlining the remediation program is expected in late 2014. The 26-acre site will not be available for sale or development until the remediation program

has been implemented. The LRPMP disposition plan for this 26-acre site is for it to remain in Successor Agency ownership until such time as it is remediated and can be sold for development consistent with applicable zoning and land use plans for the site.

3. Properties to be Retained by the City for Future Development

Table 3 – Two (2) Properties to be Retained ~ Former Triad DDA

Property #	APN	Location/Description	Current Use	Acres
16	0055 160 170	Santa Clara and Capitol, adjacent to Marina Tower	Tower Parking Lot, 99 spaces	2.31
17	0055 170 280	Corner of York and Sacramento	Parking Lot, 81 spaces	.74

These two properties are depicted on the site maps provided in Attachment C - Exhibits J and K.

The LRPMP proposes that these two properties be retained by the City for future development consistent with the Redevelopment Plan of the former Redevelopment Agency. These two properties are critical to the City and former Redevelopment Agency's long established plans to revitalize the City's downtown area with transit oriented development. To further this objective, the City adopted a Downtown Specific Plan that encourages urban scale residential and mixed-use developments within a pedestrian and transit-oriented walkable downtown. The Downtown Specific Plan originally envisioned a fifteen to twenty year build out which included up to 2,283 residential units, and 591,700 square feet of commercial development and significant infrastructure investment. A series of Catalyst and Opportunity sites were identified as the most likely sites for redevelopment. The Downtown Plan was complemented in 2007 by the Vallejo Waterfront Planned Development Master Plan ("PDMP"). It too called for mixed-use development and redevelopment of the waterfront and a portion of historic downtown. The Waterfront Master Plan included residential, commercial and open space and public improvements related to circulation and access along the waterfront and the City of Vallejo ferry service to San Francisco.

The latest Redevelopment Agency Implementation Plan, 2009-2014 was largely oriented toward implementing the Waterfront and Downtown Plans. Its objectives included:

- 1) Re-planning and redesigning, and development of areas that are stagnant or improperly utilized. Strengthening of retail and other commercial functions.
- 2) Strengthening of the economic base and the community by the installation of needed site improvements to attract and stimulate private investment, including expansion of residential, commercial, and light industrial uses, and social and economic growth, and consequently increase the tax yields to the community.
- 3) Providing adequate land for parking and open spaces.
- 4) Promoting increased cultural, social and recreational opportunities for the citizens of the community.
- 5) Establishing performance criteria to assure high site design standards and environmental quality and other design elements that provide unity and integrity to all the Merged Projects.

To implement the former Redevelopment Agency's and City's objectives for the Downtown Specific Plan area, the Redevelopment Agency entered into a Disposition and Development Agreement with Triad Development Company in 2007 ("Triad DDA"). Under the Triad DDA, Triad was given development

rights to several parcels in Downtown, including two held by the Agency (Properties #16 and #17). In 2009, as a result of Triad's non-performance of its obligations under the Triad DDA, the Triad DDA was terminated by the Agency. On February 23, 2011, Triad brought an action entitled Triad Downtown Vallejo, LLC v. City of Vallejo, et.al. Case No. FCS037433 filed in the Solano County Superior Court (Action) against the former Redevelopment Agency and the City alleging that the Redevelopment Agency breached the Triad DDA and that the City breached the Development Agreement between City and Triad. Triad, City and the Successor Agency reached a Settlement Agreement related to this action. The Successor Agency and City Council in a joint session on January 14, 2014 approved the Settlement Agreement. The Oversight Board approved the Settlement Agreement on January 16, 2014 by Resolution No. 14 – 1 (Attachment B-8). DOF approved the Settlement Agreement terms in a letter dated March 28, 2014 (Attachment B-11). The settlement freed two critical parcels of land from the potential enforceable obligations associated with the Triad DDA that was the subject of the litigation. It also allowed the City and Successor Agency to explore the opportunities of maximizing the value of these properties for transit-oriented development with another development partner.

The Successor Agency and the City of Vallejo intend to uphold the objectives and redevelopment vision outlined in the original Redevelopment Plan and merged project areas, the Five Year Implementation Plan 2009-2014, the Downtown Specific Plan and the PDPM during the implementation of the LRPMP. Properties #16 and #17 were identified as catalyst sites for development in the Downtown Specific Plan. These sites are within two blocks of the Vallejo Bus Transit Center, and three blocks of the Vallejo Ferry Terminal, and would be suitable for transit-oriented development. With the recent significant improvements in the housing and commercial development markets in the Bay Area, the underlying assumptions that led Triad and other developers to pursue development in downtown Vallejo are once again applicable. In order to ensure that development occurs consistent with the City and former Redevelopment Agency's long-held plans for the area, the LRPMP calls for the retention of properties #16 and #17 by the City. Future development of these properties into higher intensity residential and commercial uses through a disposition and development agreement will lead to greater property tax increment revenue to the taxing entities over the long term than an immediate sale to a buyer without an agreement in place to develop them.

Property #17 has no known encumbrances and is currently used for public parking. However, it should be noted that property #16 is encumbered by an existing lease agreement with the owners of the Marina Tower apartment complex related to the provision of parking. A lease for 45 parking spaces to serve the 155 unit affordable housing complex was executed (Attachment B-9) in 1995 and runs until August 31, 2060 or as long as the Marina Tower is an affordable housing complex. Property #16 will be sold for development subject to the lease encumbrance requiring provision of these 45 parking spaces unless other arrangements are made.

D. SUMMARY OF PROPERTIES OWNED BY THE SUCCESSOR AGENCY

An LRPMP Matrix is provided in **Attachment A** as a property data table describing the real property assets of the Successor Agency and any pertinent information that was available based on extensive records research. Over the years the City has had several different filing and records retention programs. Additionally, there have been extensive staff changes and office relocations. City Staff made every effort to find and research files to determine property history. Where available, the following information is provided:

- 1. Date of purchase, value of property (estimated) at time of purchase;
- 2. Purpose of the property acquisition;

- 3. Parcel data including address, size, zoning, General Plan and, if applicable, specific plan designations;
- 4. Estimate of the current value or appraised value;
- 5. Estimate of revenue generated from use of property and contractual requirements for disposition of those funds (e.g. lease, etc.);
- 6. Any history of environmental contamination and / or remediation;
- 7. Description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency; and
- 8. Any previous development proposals, rental or lease agreements, other contracts.

E. DISPOSITION PLAN

The proposed Disposition Plan takes into consideration the variety of property types and circumstances outlined in the LRPMP Matrix and further described above. The intent of the Disposition Plan is to outline the current estimated value of the sites, the predevelopment process to position properties for sale, followed by the Request for Proposal disposition process. The Disposition Plan objective is to expeditiously implement the LRPMP by:

- Transferring to the City fifteen (15) properties which are subject to enforceable obligations so that responsibility for management of those properties resides with the City rather than the Successor Agency, thereby reducing the obligations of the Successor Agency;
- Placing on the market fifteen (15) properties identified for sale; and, in the case of contaminated properties, continuing to pursue remediation plans to make contaminated properties available for sale as soon as possible;
- Retaining two (2) properties by the City for future development that were identified for implementation of the City's and former Redevelopment Agency's redevelopment objectives, so that the City may solicit private developers to enter into one or more disposition and development agreements. The City will seek developers that can construct catalyst projects for downtown Vallejo that also implement City, regional and State objectives for transit-oriented development.

1. Estimated Value and Disposition of Proceeds for Identified Real Property Assets

Table 4 below presents an estimated market value of the real property assets based on a preliminary review of real estate market conditions in the City of Vallejo. With the exception of the Southern Waterfront Parcels discussed below, the values in Table 4 have been obtained from reviewing recent sale transactions and preliminary discussions with commercial real estate brokers and appraisers. The information is intended to provide a general estimate of potential values, and is not intended to present appraised market value or broker's opinion of market value. Additionally, these values and the timing of sales could be affected by whether the parcels are bundled for larger property sales or sold individually. A determination as to whether to bundle parcels for development or sell them individually will be made based on the potential types of buyers in the market at the time of sale. In the case of the Southern Waterfront Parcels, the estimated value is based on information contained in an appraisal dated September 2008 for the Waterfront DDA. The appraisal was a fair market value appraisal completed at the onset of the recent recession. After 2008, property values declined significantly and have not yet recovered although the last two quarters of 2013 have seen some upturn. Based on the 2008 appraisals, the slow market recovery since that time, and the limited number of recent transactions, we believe the values in Table 4 are reasonable.

The Downtown Vallejo Specific Plan and Vallejo Waterfront Master Plan provide insight into the intended uses for these properties and, along with the applicable zoning, will govern the future development of these properties. The underlying zoning was also considered during the market value assessment process.

The values in Table 4 assume the properties have no soil, ground water or other hazardous materials contamination, and that all required remediation work has been completed on the properties identified for sale. In fact, remediation work is taking place or being planned on most of the Southern Waterfront properties. While the cost of the future remediation work is not known at this time, this plan assumes that the properties are not marketable until the remediation work is complete and that contaminated land which has not been remediated has no or perhaps even negative value.

All utilities to the sites and all lot line adjustments and legal descriptions have been completed for the properties. Any existing leases are month-to-month, so no value has been assigned to the lease income. It is assumed the properties would be purchased for development and, therefore, their value is not based on the income stream from the existing leases.

In addition to the remediation work, the known soil conditions on Parcels S and T (identified below) will require extensive soil stabilization to implement a multi-story development consistent with the land use plan for the site. A deduction of \$2.50 per square foot in the value has been applied in consideration of these development costs.

The properties that have State Lands Commission encumbrances have been identified as Public Trust lands with no value because they cannot be sold. Also, a value has not been assigned to the parking garage parcels because of the requirements for public ownership under existing enforceable obligations. Properties that have been planned as public open space or for public street use have been assigned no value as the continued use will be a condition of future development of the full site area; the estimated reuse value of the full site is reflected in the adjacent parcels in that development area.

Table 4

Estimated	Estimated Value of Real Estate Assets					
Site Number	APN	Parcel Size Acreage	Current (As-If Clean) Value per Sq. Foot.	Estimated Value (As-If Clean)		
Category	#1 – Properties Used to Fulfill	Enforceable O	bligations			
1	0055 170 360	.77	Public Ownership	NA		
2	0055 170 520	5.14	Public Ownership	NA		
3	0055 160 360	.26	Public Trust Lands	NA		
4	0055 160 410	5.23	Public Trust Lands	NA		
5	0055 160 420	.28	Public Trust Lands	NA		
6	0055 170 010	.61	Public Trust Lands	NA		
7	0055 170 020	.70	Public Trust Lands	NA		
8	0055 170 030	.60	Public Trust Lands	NA		
9	0055 170 050	.80	Public Trust Lands	NA		
10	0055 170 060	.39	Public Trust Lands	NA		
11	0055 170 400	.49	Public Trust Lands	NA		
12	0055 170 080	.53	Public Trust Lands	NA		
13	0055 090 370	1.25	Public Trust Lands	NA		
31	0055 090 350	14.05	Public Trust Lands	NA		

32	0058 090 360	0.37	Public Trust Lands	NA
Catego	ory #2 - Properties Available for Sa	le		
14	0055 170 220	.12	\$6.00	\$31,200
15	0055 170 530	.25	\$6.00	\$65,526
18	0058 100 300 – RR Spur	.23	\$2.50	\$25,375
19	0058 100 320 – RR Spur	.07	\$2.50	\$7,898
20	0058 100 450 – RR Spur	.30	\$2.50	\$32,670
21	0058 100 130 – RR Spur	.45	\$2.50	\$49,005
22	0058 090 260 - Parcel S -			
	Open Space	.17	\$.0	0
23	0058 090 270 - Parcel S	.59	\$5.00	\$129,390
24	0058 090 280 - Parcel S	1.78	\$5.00	\$387,680
25	0058 090 290 – Parcel S	.23	\$5.00	\$50,750
26	0058 090 300 - Parcel S	-		
	street improvement	.15	\$.0	0
27	0058 090 310 - OS	.36	\$.0	0
28	0058 090 320 - Parcel T	.09	\$2.50	\$10,610
29	0058 090 330 - Parcel T	13.88	\$2.50	\$1,511,530
30	0058 090 340 - Parcel T	8.70	\$2.50	\$947,430
Catego	ory #3 - Properties Retained by Cit	y for Future Dev	elopment	
16	0055 160 170	2.31	\$6.00	\$603,738
17	0055 170 280	.74	\$6.00	\$194,700
			Total Value	\$4,045,502

2. Distribution of Proceeds from Real Property Asset Disposition

At this time it is not possible to anticipate the net proceeds from the sale of these properties. The above values represent an estimate based on properties with similar uses. Value deductions based on unknown toxic conditions, poor site configuration, access or easement constraints or other conditions of approval have <u>not</u> been taken into consideration. Projects along some of the Southern Waterfront properties are anticipated in the next 3 to 5 years when remediation work is completed. Other properties in the downtown near transit are likely to develop more quickly if the real estate market continues to rebound. Activities such as the Solano Corridor planning efforts, and recent reuse of vacant retail spaces, indicate the real estate market is beginning to rebound in Vallejo. This signals a positive increase in land value in the future that would also allow time to position properties for sale in the most advantageous manner and schedule.

For properties that are to be transferred to the City to fulfill existing enforceable obligations and/or to comply with applicable law upon approval of this plan by DOF, there will be no proceeds from this transfer. For properties that are sold by the Successor Agency, the proceeds received (net of the costs of sale) will be distributed to the applicable taxing entities in accordance with the provisions of AB 1484 upon receipt of proceeds by the Successor Agency. For the two properties to be retained by the City for future development consistent with the redevelopment plan, the City will enter into Compensation Agreements with the taxing entities prior to the sale of these properties, unless (i) the State Legislature further amends the Dissolution Legislation to provide that compensation agreements are not required by law, or (ii) a California State Court, in a case to which DOF is a party, issues a final judgment that is not subject to appeal determining that compensation agreements are not required under the Dissolution Legislation. If either (i) or (ii) in the preceding sentence occurs, the City will not be required to enter into

compensation agreements with taxing entities.

3. Approach and Process for Disposition of Real Property Available for Sale

Those real property assets identified above as being available for sale would be marketed for sale as soon as possible, based on the pre-development assessment of readiness. The Successor Agency wishes to retain flexibility in the positioning and sale of the assets because of the very different market potential of each property. For example, four parcels are small railroad spurs which may have little or even negative value because of their configuration and existing hazardous materials contamination. Some properties are undergoing remediation which is nearly complete, while others will be subject to future remediation investigation and program development. It is the intent of the City and Successor Agency to complete necessary predevelopment activities to position the properties for eventual sale to realize their market potential. But this process will take time and funds to complete.

Staff still needs to prepare a preliminary budget to initiate the predevelopment activities listed below to better position the properties for successful disposition and development, and to enhance the potential market value of the properties. The budget will also need to include costs for marketing the properties or undertaking an RFP process. The decision of the Successor Agency and Oversight Board to undertake such pre-development and marketing activities would depend in part on the availability of funding and whether these related disposition costs would be allowed by the DOF as enforceable obligations under the ROPS.

a. Predevelopment Activities

There are a number of predevelopment activities that the Successor Agency, with approval of the Oversight Board, may or may not decide to undertake to position property for disposition and development. These potential activities include:

- 1. Obtaining preliminary title reports to determine existing title conditions relevant for future development, such as easements or other encumbrances; and
- 2. Commissioning appraisal reports or broker opinions of value to determine potential market value of the properties prior to sale; and
- 3. Preparing Phase 1 and/or Phase 2 environmental site assessments and other assessments to determine the extent to which hazardous materials contamination is present on the sites; and
- 4. Developing information regarding any public infrastructure and utility (water, sewer, drainage, etc.) limitations with respect to the parcels; and
- 5. Defining any steps, such as cleanup of hazardous materials, that may be necessary before the parcels can be successfully marketed for sale.

b. Marketing and Outreach

For those parcels identified during the predevelopment process as being available for near term sale, the marketing and outreach program will depend on the characteristics of the specific parcels involved. Based on the size and characteristics of certain properties (e.g., the Railroad Spurs) it may be appropriate to list properties with a Broker or negotiate a purchase directly with an adjacent property owner.

For those sites with significant development potential based on the General Plan and zoning, the marketing effort would focus on attracting buyers who can implement high-quality development projects

on those sites consistent with the City's zoning and plans. Marketing information for those sites may include a basic brochure that describes the characteristics of the site(s), City of Vallejo attributes, land use provisions, and any related information resulting from the predevelopment activities described above. Such a brochure would be distributed to real estate brokers, developers, and other identified companies, and advertised on real estate websites and in appropriate professional publications and local/regional newspapers. The Successor Agency may choose to engage in a more formal RFP process, depending on market interest in a particular site. Purchase offers would be reviewed by the Successor Agency staff with direction from the Successor Agency and Oversight Boards.

For those two parcels identified as being transferred to the City for future development, the City would likely engage in an RFP process for selection of developers who can implement development plans consistent with the City and former Redevelopment Agency's adopted plans for the site.

c. Sales Process

A general schedule for implementing Successor Agency sales is described below but would vary depending on the specific characteristics of each property.

Activit	<u>Y</u>
1.	Pre Development Activities
2.	Marketing Outreach Activities
3.	Offer Review Process
4.	Successor Agency - Oversight Board Direction
5.	Negotiation of Purchase and Sale Transaction pursuant to Successor Agency and Oversight Board Direction
6.	Drafting of Purchase and Sale Agreement
7.	Successor Agency and Oversight Board Approval of Purchase and Sale Agreement and Execution of Agreement
8.	Distribution of Net Proceeds of Sale to Taxing Entities

A schedule for disposition of each property cannot be estimated at this time, although it is the intent of the Successor Agency to dispose of properties as expeditiously as possible and in a manner that generates maximum value. The disposition schedule and phasing would be reviewed and approved by the Successor Agency and Oversight Board as additional information is available on these properties, any legal constraints have been cleared, and the extent of hazardous materials contamination is known and/or remediation has been completed.

ATTACHMENTS

A – LRPMP MATRIX

B - BACKGROUND DOCUMENTS

- 1. October 16, 2013 Finding of Completion Letter from DOF
- Parking Garage Transfer (APN #'s 0055-170-520 & 0055-170-360) Resolution No. 10-001 & Resolution No. 10-009
- 3. City of Vallejo WETA Transfer Agreement Resolution No. 11-144
- 4. State Lands Commission Maps of Public Trust Lands
- 5. Corporation Grant Deed Southern Waterfront Parcels Kaiser Bankruptcy
- 6. Waterfront Amended DDA Oversight Board "D" Resolution No. 13 9

- 7. DOF Waterfront DDA Amendment Approval Letter dated January 29, 2014
- 8. Triad DDA Settlement Agreement Oversight Board D Resolution No. 14 -1
- 9. Assignment of Lease Agreement Marina Tower Complex Doc #200500134041
- 10. Successor Agency and Oversight Board Resolutions, and DOF Letter of July 15, 2013, Approving Transfer of 13 Governmental Use Properties to the City of Vallejo
- 11. DOF Triad Settlement Approval Letter dated March 28, 2014
- 12. Excerpt from Waterfront Amended DDA Re Conveyance of Parcel J

C —PARCEL MAP INDEX

Exhibit A - Overall Project Map

Exhibit B - Garage Parcels Properties 1 and 2

Exhibit C – Public Trust Lands Properties 3, 4, and 5

Exhibit D – Public Trust Lands Properties 6, 7, and 8

Exhibit E – Public Trust Lands Properties 9 and 10

Exhibit F – Public Trust Lands Properties 11 and 12

Exhibit G – Public Trust Lands Property 13

Exhibit H - Public Trust Lands Property 31

Exhibit I - Properties 14 and 15

Exhibit J - Former Triad Property16

Exhibit K – Former Triad Property 17

Exhibit L - Railroad Spurs Properties 18, 19 and 20

Exhibit M – Railroad Spur Property 21

Exhibit N - Former Southern Waterfront DDA Properties 22, 25, 29 and 32

Exhibit O – Former Southern Waterfront 23, 26, 27, and 30

Exhibit P - Former Southern Waterfront 24 and 28

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